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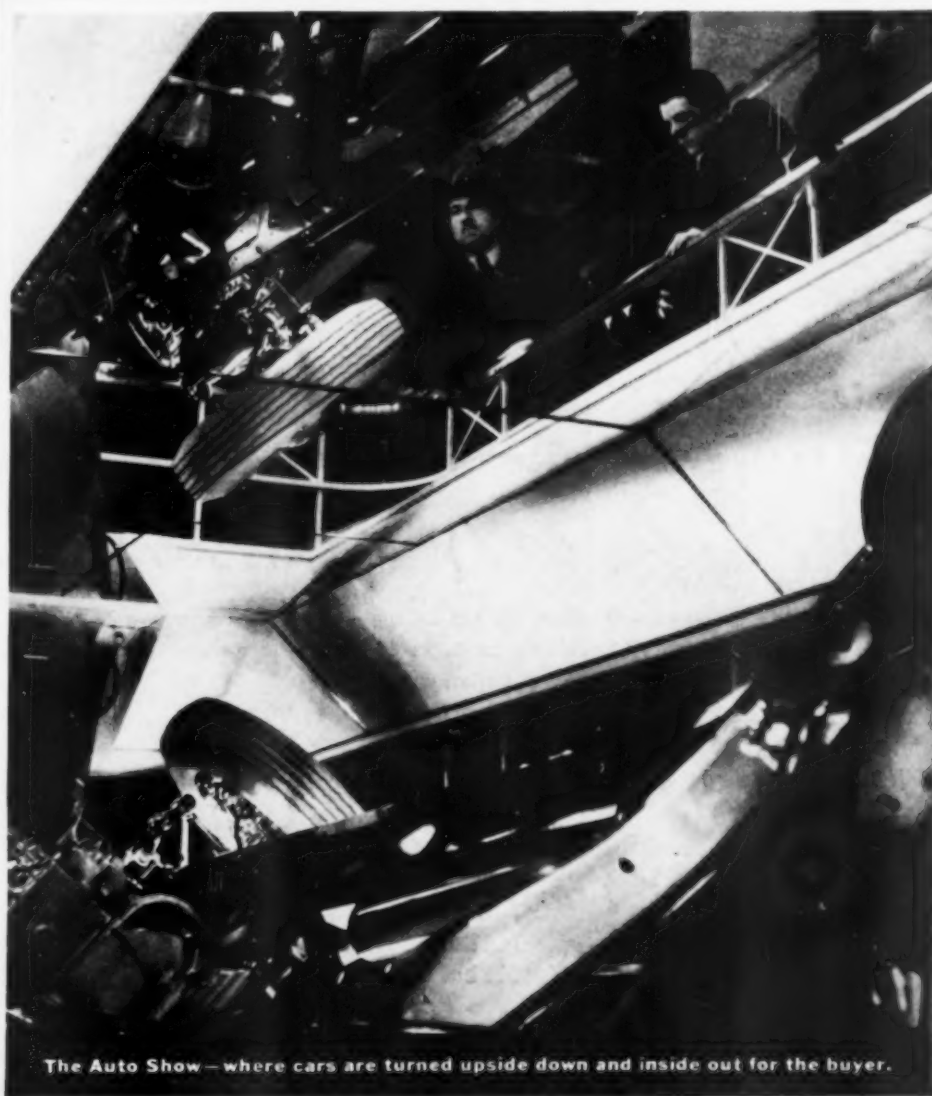
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BUSINESS WEEK

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The Auto Show—where cars are turned upside down and inside out for the buyer.

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NEW ALLIS-CHALMERS EQUIPMENT GIVES \$320 A DAY IN EXTRA PROFITS!

*Another true case history
from the Allis-Chalmers
files that proves "IT PAYS
TO BUY THE EQUIPMENT
THAT PAYS FOR ITSELF!"*

**Read What One Progressive
Operator Says About His New
Allis-Chalmers Equipment.
Find Out How Allis-Chalmers,
with 90 Years Experience,
Can Get You Lower Costs . . .
Bigger Profits . . . with the
Equipment that Pays for Itself!**



SOME OF THE ALLIS-CHALMERS Nordyke Square Sifters that are getting 20¢ a barrel *more* for a 1600-barrel mill in the mid-west . . . proof that it really costs nothing to modernize.

EVERY DAY ALLIS-CHALMERS equipment, like the purifiers and reels being unloaded here, goes out from the big Milwaukee shops to mills all over the country . . . to millers who know the value of modernization!

When progressive operators want extra profits, this is what they do! They modernize to make money! They replace old machines with new equipment . . . equipment that gives them a BIGGER PROFIT on the products they make!

Here's what the superintendent of a large flour mill wrote us about his new Allis-Chalmers equipment. Read this paragraph from his letter . . .

"I am sending you today's laboratory report. We are making 97% in regard to ash. We could not do this

with the old sifters — we had to go as low as 85 to 87%. The sales department tells me that every 5% of clear put into the patent means 10¢ a barrel, so I am going to let you figure it out for yourself on a 1600-barrel unit!"

Get These Extra Profits!

Think of it! Twenty cents a barrel more . . . since this mill modernized with the Allis-Chalmers system! \$320 a day . . . in EXTRA PROFITS!

That's what we mean when we say — "Allis-Chalmers is the equipment

that pays for itself!" And that's what modernization brings in any field . . . whatever your production problems!

Don't wait! Follow the lead of thousands of other industrial executives who are letting Allis-Chalmers cooperative engineering help them solve their operating problems...make their workers' jobs easier...cut their costs!

To get the advantage of Allis-Chalmers 90 years of experience, call an Allis-Chalmers trained engineer in the district office near you! Get the facts today!

984-A

PRODUCTS ENGINEERED TO PAY FOR THEMSELVES

Electrical Equipment • Power Transmission Equipment • Steam and Hydraulic Turbines • Blowers and Compressors • Engines and Condensers • Centrifugal Pumps • Flour and Cereal Mill Equipment • Boiler Feedwater Treatment • Saw Mill and Timber Preserving Machinery • Crushing, Cement, and Mining Machinery • Power Farming Machinery • Industrial Tractors and Road Machinery



ALLIS-CHALMERS

MILWAUKEE • WISCONSIN

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*Plymouth
Leads Again in
Style, Size, Ride...*

EXTRA!
1940 PLYMOUTH
IS HERE TODAY

**THE EXCITING
CAR OF 1940**



**NEW LUXURY
THROUGHOUT**

1. **MAGNIFICENT STYLING**—new luxury, distinction.
2. **BIGGER CAR**—117-inch wheelbase—wider seats!
3. **THE LUXURY RIDE!** New appointments, new chassis engineering—entirely new ride formula.
4. **SUPERFINISH** of vital engine parts adds to long-life smoothness.

WITH ITS NEW LUXURY STYLING, luxury performance, luxury ride, this big 1940 Plymouth is a tremendous hit *all over the country!*

New engineering, new designing, have created the *Luxury Ride!* Wheelbase is now 117 inches! There's a luxurious new feel in Plymouth's Floating Power engine—*Superfinished* in vital parts.

Steering post gear shift and front coil springs are on even the lowest-priced models at *no extra cost*. Running boards are optional.

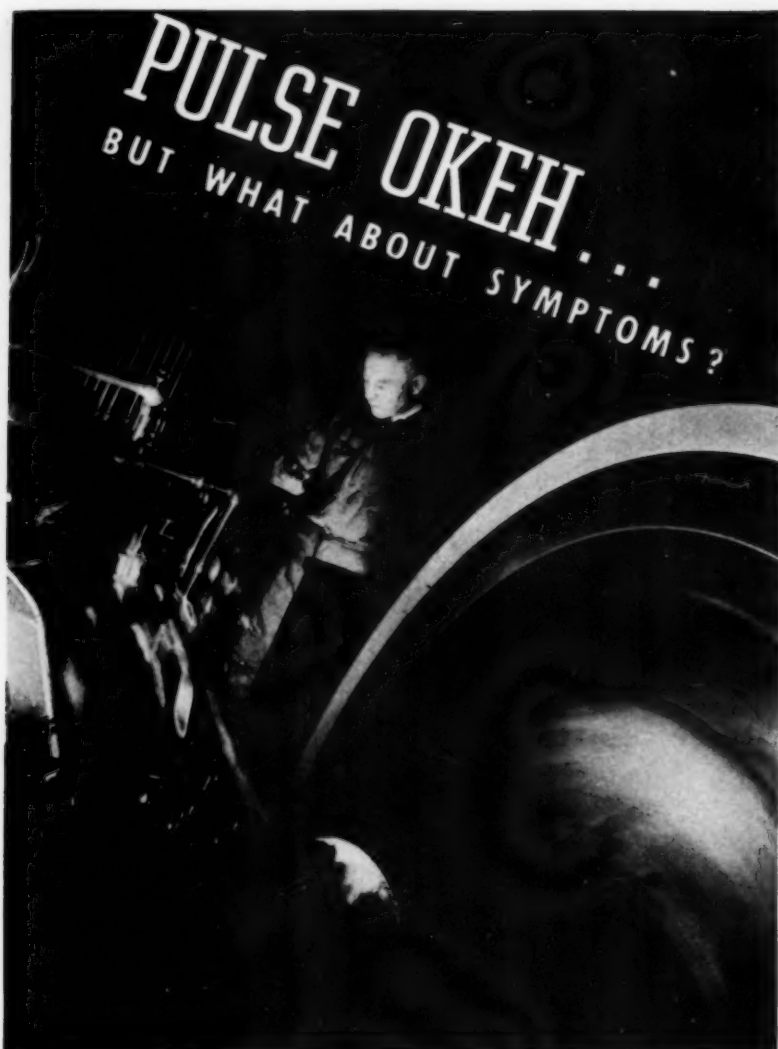
See Plymouth—take the *Luxury Ride* today!

TUNE IN MAJOR BOWES, C.B.S., THURS., 9 TO 10 P.M., E.S.T.

Commercial Car Users:
See the Complete Line
of New 1940 Plymouth
Commercial Cars!

1940 PLYMOUTH

*The Low-Priced Beauty
with the LUXURY RIDE*



AN ENGINE throbbing with rhythmic beat . . . delivering its rated horsepower . . . looking fit for hundreds of hours of further going . . . all these outward appearances of "health" are no positive assurance that some malignant condition has not stealthily begun its destructive course.

The discovery of hidden symptoms in power machinery is not usually achieved through casual inspection. . . . It calls for the deep-probing skill of specialists able to draw upon the experience of a long-established company. The same holds true for boilers, pressure vessels, electrical equipment.

Hartford Steam Boiler has been safeguarding and insuring power equipment for 72 years. Eighteen million inspections are its record.

This experience in detecting dangerous conditions in their early stages may save your plant from the chaos and losses an accidental shut-down would inevitably cause.

It is this that supports your agent's or broker's conviction that Hartford can, and does, give more for your power-insurance dollars.

- Hartford shop-inspects more than 90% of the nation's industrial power boilers; and covers a preponderant portion of America's insured power equipment.

THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY

HARTFORD,
CONNECTICUT



THIS BUSINESS WEEK



Reprint from Atlas

The curtain goes up next week on the auto industry's annual super-special production—the auto show, where manufacturers trot out their plain and fancy models and bedazzle the U. S. public into the conviction that the old '39 bus in the garage is too outdated to keep around any longer. Maybe the industry doesn't expect its usual record attendance at the shows this year, because it's scaling admission prices lower—in New York, for example, the old 75¢ admission has come down to 40¢—but, as Alfred Sloan is supposed to have said, it wouldn't make any difference if nobody went to the auto shows, they still provide a whale of an effective springboard for new model publicity. There's a preview of this year's show on p. 15 of this issue, which covers everything from design and price to air conditioning and headlamps. You might also call it a preview of the 1940 business year as seen through the auto makers' eyes.

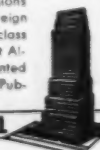
War in Canada

CANADA IS AT WAR, but she hasn't actually started her war buying yet. Britain has cabled rush contracts for steel and steel products, and the Canadian government has ordered, for one thing, 100,000 pairs of boots. But that's only a starter. The government is expected to spend \$100,000,000 on war supplies before the end of the fiscal year (March 31, 1940). Britain will use the Dominion as a supply base. How Canada is get-

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ting ready—textile mills stepping up operations, iron ore production getting set for a rise, Canadian Industries, Ltd., which dominates the production of chemicals and explosives, extending its plant facilities—everything American business wants to know about Canada's preparations, p. 59.

Fair Finish

ON OCT. 29 San Francisco's \$50,000,000 Golden Gate Exposition shuts its doors. That's five weeks ahead of the closing date originally scheduled, but attendance at the exposition hasn't been anything spectacular—advance predictions were that there would be 20,000,000 visitors this year, but only 9,000,000 have showed up thus far—and when the daily gate continued to fall off recently the fair decided to call it a season. Now that the end's in sight, two questions are up for answers: What did the fair do for West Coast business this year?—and what are the chances of the fair going on next year? The answers are in the story, "\$100,000,000 Treasure Island," on p. 26.

Building

IN CLEVELAND last week the long-threatened drive of the Dept. of Justice on building costs, monopolies and rackets finally got under way when grand jurors began hearing evidence of an alleged glazing monopoly in Cleveland, and a plumbing monopoly on a national scale. In New York at the same time a jury was called to investigate the electric industry. Now half a dozen juries are expected in other cities. Thurman Arnold's attempt to uncover a gigantic "conspiracy" to maintain high price levels in the building industry is really due for an airing. What the charges are in the cases now being heard, p. 22.

Union Pacific

WHEN A FREIGHT CONDUCTOR told President W. N. Jeffers of Union Pacific last year that the railroad was unnecessarily losing a lot of freight traffic because of inflexible schedules, rates and classifications, the top management of Union Pacific decided to let its employees, not its officers, conduct a freight traffic survey. On each division of the line, two freight conductors, a locomotive engineer and a station agent went to work interviewing shippers and receivers to find out what method of transportation they preferred and why. What they found out, what it did for their freight business and their employee-relations, p. 28.

Toothbrushes

THE RUMOR IS AROUND that sales of Dr. West's Miracle-Tuft toothbrush have been sluggish because its synthetic bristles wear too long. The figures on all toothbrush sales and on Weco sales, just released, give the real answer, p. 40.



"These days I'm busier than a one-armed paperhanger!"

THINGS are certainly humming around here. New orders coming in. Production stepped up. Price schedules to be revised. New employees to be trained. And every job is 'rush'.

"It's kept me swamped with details at the very time I should be free for clear-headed planning. Our old system may have been adequate for handling ordinary routine. But it broke down the minute we were faced with an emergency. I've got to find some way to get things organized and running smoothly again."

Here's new help for business men to meet today's new conditions...

Send for the Working Kit of Hammermill Bond and the new booklet, "21 Ways to Keep a Clear Desk." This material gives you a comprehensive story of how to use paper and printing to organize your work. Shows you how efficient printed forms can

take details off your shoulders, keep jobs moving, pin down responsibility... how a color signal system can speed up work and eliminate errors... how up-to-date stationery can build good will and bring in sales.

Find out how simply and economically good paper* can streamline your entire organization for emergency work. Send for the Working Kit of Hammermill Bond and the "21 Ways" booklet. They're free.



***25 GOOD LETTERHEADS OR FORMS ON HAMMERMILL BOND
COST ONLY 1¢ MORE THAN ON CHEAP, UNKNOWN PAPER**

HAMMERMILL BOND

Send for it!

Name _____ Position _____

(Please attach to your business letterhead)

Hammermill Paper Company, Erie, Pa.

Please send me, free, "21 Ways to Keep a Clear Desk" and the 1939 Working Kit of Hammermill Bond.

BW-10-14

LOOK FOR THE WATERMARK

IT IS HAMMERMILL'S WORD OF HONOR TO THE PUBLIC.

BUSINESS MEN: Maybe it will pay you to read this column about

Patapar Vegetable Parchment

A most unusual paper. Strong when wet ... grease-proof, too. This double feature makes it the one sheet for hundreds of uses. Here are some:



BUTTER

Patapar wrappers protect flavor and freshness, and help prevent moisture vapor transmission.



BOTTLE HOODS

Printed Patapar hoods protect the pouring lips of milk bottles. They lend sales appeal, and protect from dirt, dust, flies, germs, and prowling animals.



SAUSAGE

Patapar wrappers resist grease penetration ... stay clean and attractive.



BACON

Bacon averages 31.8% water, 42.6% fat. But Patapar is strong when wet and grease-proof, too. So it gives safe protection.



FISH

Fish wrappers must be able to withstand both moisture and natural seafood oils. Patapar is just the paper to use.



IN FOOD LOCKERS

Patapar is widely used for packaging cuts of meats in cold storage locker plants. Stands up under low temperatures.



METAL INSTRUMENTS

For packaging such items as lubricated instruments and parts, Patapar often serves where nothing else will do.

EXECUTIVES: If you have a product that contains grease or moisture or both — we suggest you consider Patapar. For samples and further descriptive information, write us.



Patapar INSOLUBLE GREASE-PROOF ODORLESS

Sold in sheets and rolls in many weights and finishes. Gives rich printing effects in one or more colors — by letterpress or offset process.

Paterson Parchment Paper Company
Bristol, Pennsylvania
Established 1885
West Coast Plant: 310 Bryant St., San Francisco
Branch Offices: New York, Chicago

NEW BUSINESS

Adhibitions

A CHANDELIER, which is built in the form of a musical note, has been installed in the Hammond Organ Studios, New York City. "This is the first time," the designers say, "that a musical note has ever been constructed as a lighting fixture."

Lord & Thomas, the advertising agency, is handling a campaign called "Milk in Industry" for organized milk producers in San Francisco. Business houses are urged to allow employees 10 minutes a day for a glass of milk. The promoters say that Standard Oil of California has agreed to serve a pint of milk a day to sailors of the tanker fleet.

Perspicacious General Motors has attached to the conventional press releases describing its Auto Show exhibits a sheath of shorts for fillers in Automobile Editions. Meanwhile, Buick has given brightly colored umbrellas, carrying the slogan, "Rain or Shine, Best Bet's Buick," to doormen at nightclubs and hotels throughout the country.

The First National Bank of Boston has issued a monograph on the six New England states. The bank says, firmly, that exactly 300 years ago a William Wood sold New England to the Puritans with the first prospectus for the area.

Our Times

THE BURLINGTON railroad keeps an iron lung for the service of its employees and the public in general. It was rushed from Denver this week to relieve an eight-year-old infantile paralysis victim in St. Paul.

Competent managers for cooperative grocery stores are being trained by the Rochdale Institute, a school for consumer cooperation, in collaboration with two cooperatives. A 10-weeks training course in management started this week and, in January, the students will begin to practice in a model store.

A wildcat well near Yazoo City, Miss., has struck oil, making Mississippi the twenty-second oil-producing state.

Sometime next week the Antarctic Snow Cruiser, an automobile 55 ft. long and weighing 75,000 lb., will be driven from Chicago to Boston on a shakedown trip. It has been built by the Pullman Standard Car Mfg. Co. for the Research Foundation of Armour Institute of Technology and will be immediately loaned to the United States Antarctic Service for an expedition to the South Pole. The machine, which carries an airplane on its back, has accommodation for four and can cruise 5,000 miles over rough ice.

At least six cities (Lansing, Mich., Indianapolis, Ind., St. Louis, Mo., Baltimore, Md., Kansas City, Mo., and Goshen, N. Y.) now grind up their garbage and dispose of it with the sewage,

the American Public Works Association reports. Other methods of garbage disposal: incineration and hog-feeding.

Contracts will be awarded this week for foundation excavations for the new du Pont Cellophane plant at Clinton, Ia. The six-story Maxwell House Coffee plant in Hoboken, N. J., has been officially opened. It was begun last January.

What's New?

IN THE TEST FLIGHT of a new plane, the pilot ordinarily writes data on a pad of paper fastened to his leg. Vultee Airplane Co., Los Angeles, which is currently testing a new batch of war planes, is using a movie camera to record changes on the instrument board dials, —while the pilot dictates his observations into a microphone.

The children are charmed by an RCA Victrola Junior which costs about five dollars and is built to stand the knocks of the more stormy moods of five-year-olds. The electrically driven turntable



will carry records up to the 12-in. size and the cone speaker has "remarkable fidelity and tone."

Stand-Up Tube Cap Corp. manufactures a tube for shaving cream or tooth paste that can stand upside-down on its broad-based, Bakelite cap.

The West Bend (Ind.) Aluminum Co.'s new singing teakettle has no lid. The kettle is filled through a wide-mouthed spout, which is covered with a whistling cap.

A Burgess Battery Co. electric lantern has two bulbs on a sliding carriage. When one burns out, the other can be snapped into position quicker than an usher can say "This way, please."

A new type of crash truck was added to the equipment for New York City's North Beach airport this week. The truck, which was designed and built by Walter Kidde & Co. to get around the big field in a hurry, will fight airplane fires with carbon dioxide snow.

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WASHINGTON BULLETIN

WASHINGTON (Business Week Bureau)

—Don't think the lend-spend idea is dead. It isn't. Undaunted by the hot foot that Congress gave their pet plan last session, assorted New Dealers are quietly but earnestly pushing the idea. And they are even more ambitious this year than they were last, for now they claim that the hurriedly trumped-up \$3,000,000,000 program for such projects as public works, express highways, and rural electrification wasn't adequate anyhow to bolster the economics of democracy, still lagging because, they say, not enough of the nation's savings go into investment to lift purchasing power and keep production equipment in full operation.

War Boom No Cure

THE NEW APPROACH is fashioned out of the argument that a war boom is no remedy only a palliative.

The lend-spenders' broad proposition, as you know, runs this way: If private industry can't absorb all our savings, the government must find ways to divert them into productive investments by measures much more far-reaching than any taken to date.

This thesis is tempered only by an occasional disposition to recognize that if the government starts speeding up and manipulating the flow of investment, private industry may lay down on expansion plans.

Public Ownership Wedge

THERE'S NO CONCRETE PLAN YET—certainly no expectation of enactment until the next regular session—but influential spend-lenders are encouraging all and sundry to ventilate their ideas, provided, of course, that they track generally with their own. The more radical contingent frankly looks at "spend-lend" only as an opening wedge for government ownership.

You are likely in the next few months to hear a good deal of talk generated by their cerebration, including one prize scheme by which a new government department would be set up to invest in industry.

At the outset, investments would be confined to the railroads and utilities, and the basic condition of such investment, as specified by law, would be complete reorganization in which stock, based on valuation of the property, would be issued in exchange for all outstanding securities.

Additional stock would be issued to cover new expenditures, and the government would take all that investment

bankers failed to underwrite and sell to the public.

The virtue claimed for such a scheme is that it would provide a funnel for a large volume of savings for several years, as the government department would derive its funds from the sale of guaranteed bonds to the public.

Easing the Transition

OTHER GROUPS, including individuals in the Treasury and the Federal Reserve, are thinking of a spend-lend program as a means of cushioning the economic shock, caused by the eventual transition from war to peace. However, such well-intentioned operations might provide just the sort of opening which the government-ownership advocates are looking for, unrealistic as that may seem.

In any case, all such thoughts for the future have one common denominator: more and more government spending for the immediate future. Of course heavy

spending for armament fills the bill pretty adequately.

Tip-Off on Arms Embargo

A 5-TO-2 VICTORY for repeal of the arms embargo is certain when the final roll call comes. This is clearly foreshadowed by the 65-to-26 vote on Sen. Tobey's motion, to take separate votes on cash-and-carry and the arms embargo. Despite denials of the pro-embargo bloc that the vote on the Tobey resolution had any significance, every Senator realized that it would be bad politics to vote with the Administration one time and against, the next.

Fast Finish on Neutrality

ORATORY WILL GET thinner as the neutrality debate proceeds. There simply aren't enough angles to permit many new headlines. As shrewd Sen. Burt Wheeler said to the pro-embargo leaders when they called on him for a speech: "Everything has been said. Should I talk just for the sake of talking?"

As a result, the debate will probably wind up sooner than expected, perhaps before Nov. 1.

Two reasons underlie Roosevelt's refusal to sanction any new moves in Congress until the neutrality issue is settled. He doesn't want to have to put steam behind more than one move at once, and he doesn't want Congress to stay here after the embargo is repealed.

Sentiment in Congress is drifting his way. The boys have about decided they would like a long Christmas holiday.

No Price Law Now

INDUSTRY LEADERS, now hobnobbing in Washington, think that business can accept at face value the President's assurance that no price control legislation is contemplated now. Possibly government action can be staved off indefinitely.

Reaction in business to the price problem takes two forms: (1) belief that the spread of accurate knowledge regarding inventories will effectively check hysterical buying and consequent price-kiting; (2) a disposition, especially among distributors, to establish their position now in such fashion that they can escape responsibility for whatever unwarranted price jump occurs.

Inventory Job Scheduled

CONSENSUS among government officials and business leaders is that the Commerce Department should undertake a nationwide inventory at every stage of production and distribution. Trade associations may expect shortly a request to cooperate.

Either to support this plan or as an

Anonymous Efficiency



Wide World

Since Lauchlin Currie was picked to be one of Roosevelt's "anonymous" administrative assistants, he has filled the role to perfection. He's polite, diplomatic, and unassuming, but he keeps ideas flowing smoothly back and forth between F.D.R. and Administration officials, big and little. Formerly one of Governor Eccles' research experts in the Federal Reserve, Currie is in the vanguard of the New Deal contingent now incubating new spend-lend plans which discount war prosperity as a remedy for economic problems.

COLLEGE INVESTS IN MODERN HEATING AND GETS FINE RESULTS

Keuka College Installs Webster Moderator System to Provide Comfort in Coldest Weather

BALANCED HEAT DISTRIBUTION

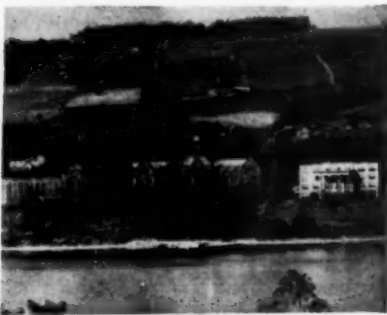
Selection of Moderator System Assures Minimum Expense for Replacing Worn Equipment

SAVES \$603.46 FIRST SEASON

Keuka Park, N. Y.—Three buildings on the Keuka College campus are enjoying steam heating comfort during the coldest winter weather as the result of a Webster Heating Modernization Program carried out in 1936.

"The Moderator System at Keuka College has resulted in added comfort for residents and users of the buildings," says L. R. Loomis, College Treasurer.

"We have experienced a more even heat distribution and have made a substantial saving in the cost of coal, both of which items were of interest to us. The Webster organization gave us a great deal more service than was called for in the contract."



Keuka College Buildings, Keuka Park, N. Y.
Left to right: Richardson Hall, Ball Hall, Hegeman Hall

In the first year with the Webster Moderator System, the cost of coal for heating the three Keuka College buildings was reduced \$603.46.

To allow the operating engineer to adjust the steam supply to meet occupancy conditions, a separate steam shut-off was provided for each of the buildings.

The Webster Moderator System was installed by the American Warming & Ventilating Co., of Elmira, N. Y. There is a total of 17,612 sq. ft. of installed direct radiation.

LOW HEATING COST

GET THIS BOOK . . . Read the fact stories about economy and comfort in the heating of 144 buildings. No exaggerated claims. No promises. Just 64 pages of heating results. Ask for "Performance Facts."

WARREN WEBSTER & CO., Camden, N. J.
Pioneers of the Vacuum System of Steam Heating
Representatives in 65 principal U. S. Cities—Est. 1888

alternative, the Temporary National Economic Committee may be asked to use its subpoena powers to produce the information. Such compulsion is not likely to be used except at a critical stage when it can be applied either selectively to one or more industries or to all industries.

Business on the Spot

INDUSTRY is much more conscious of price problems now than in the World War period because government agencies, that have been set up since then can pursue inquiries or take action that can make it very uncomfortable for concerns seeking selfish advantage.

To protect its own skin, business is anxious now to establish cost of replacement as a legitimate price policy. This would make it possible to avoid progressive dissipation of capital, most of which is invested in inventory.

For Retailers' Defense

REPRESENTED on Sec. Wallace's Agricultural Advisory Council one way or another are 450,000 food retailers. This leaves about 1,150,000 other retailers out in the cold. To secure representation of this group in federal planning councils, the American Retail Federation expects to tackle the problem from the consumer angle in the realization that consumers are politically stronger than retailers.

A.R.F. is pulling strings at the White House to get the President to set up a so-called consumer advisory board including one representative of the retailers, one of wholesalers, one from the professional consumer organizations, one from the consumer goods industries, together with individual representatives of the Department of Justice, Department of Commerce, the Department of Labor and the Department of Agriculture. Thurman Arnold, the Justice Department's price-buster, and Donald Montgomery, Consumers' Counsel of AAA, favor the proposal, but A.R.F.'s hope of gaining its end isn't exactly bright.

Price Collusion Precedent

MERE THREAT of antitrust prosecution puts a damper on price increases in industries well acquainted with the Department of Justice, but the law's bark is worse than its bite because proof of collusive action to hike prices is hard to nail down.

Department lawyers who have been thumbing the antitrust case book for years back see a ray of hope, however, in *U. S. versus Collins*. In this case, various commission merchants were indicted in September, 1914 for alleged conspiracy to fix the prices at which country produce should be sold in Washington, D. C. Most of the defendants pleaded *nolo contendere*. The fines amounted to \$650 all told, but lawyers think the courts might be tougher now.

What to Do on Oct. 24

JUST TO KEEP you straight on the Wage-Hour Law's zero hour Oct. 24, this is the gospel: Your first work week beginning after midnight October 23, must be brought down from 44 hours to 42 hours maximum. If your work week begins, say October 27, the 42-hour maximum starts that day. Work time, of course, is not transferable from one week to another. The increase in the statutory minimum wage, from 25¢ to 30¢, starts at midnight October 23, regardless of when your work week begins.

Arnold Probes Food Prices

THURMAN ARNOLD has ordered his sleuths to track down illegal price-fixing in the food trade, both chain and independent. His action ties up only incidentally with "war profiteering." For a year past, the Assistant Attorney General has kept a suspicious eye peeled for price-fixing combinations under the cloak of the fair trade laws. Arnold claims that a legal privilege is no warrant for its abuse to suppress competition. His agents are nosing around mostly in Ohio, which was picked by the grocery trade as a "proving ground" to demonstrate the merits and demerits of fair trade in that line of business.

TNEC Faces an Issue

INTERNAL SQUABBLING in the Temporary National Economic Committee doesn't often come to the top. Its behavior is a compliment to Sen. O'Mahoney's smooth work as chairman in easing friction between TNEC's congressional members and representatives of the "downtown" agencies.

This week, however, the monopoly committee was confronted with charges that the Association of American Railroads had offered special rates to major oil companies. O'Mahoney and other Congressional members wanted to turn this unpleasant subject over to the Department of Justice for investigation, but Jerome Frank and Leon Henderson flatly opposed sidetracking the issue.

They won a compromise by which TNEC's staff will check on evidence said to support the charges before this phase of the hearings on the oil industry is resumed.

Profiteering Probe Lags

INCIDENTALLY, TNEC is still without any definite plans for the conduct of its "profiteering" inquiry, suggested by the President to Chairman O'Mahoney recently. Staff workers are drafting several proposed lines of investigation for consideration by its committee, but they are not expected to be acted upon until late this month.

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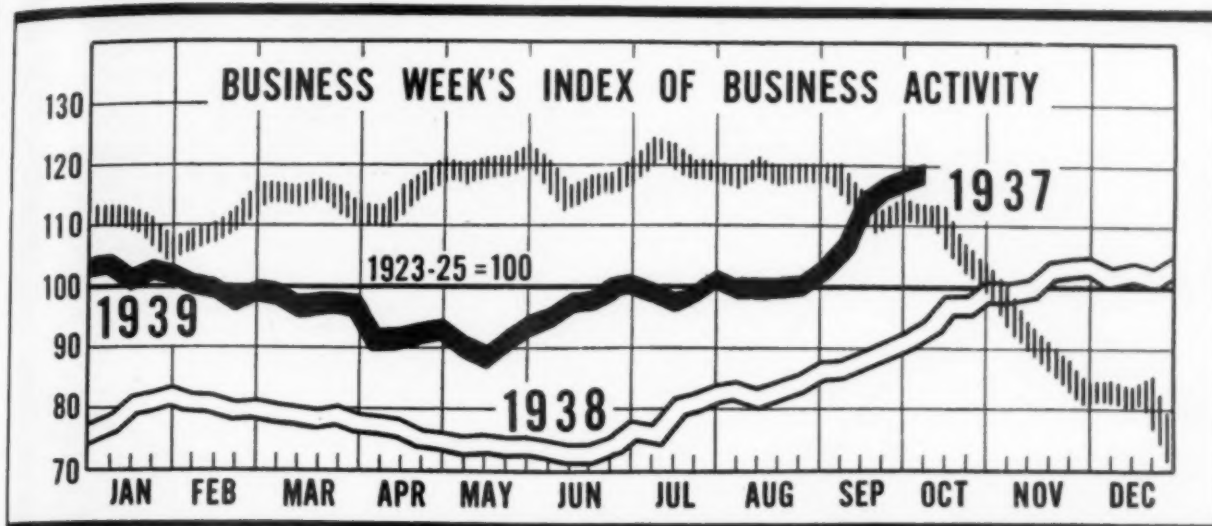
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THE FIGURES OF THE WEEK



THE INDEX

PRODUCTION

	Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
*Steel Ingot Operations (% of capacity).....	88.6	87.5	70.2	52.1	51.4
*Automobile Production	76,095	62,755	26,665	87,019	37,665
*Residential Building Contracts (F. W. Dodge, 4-week daily average in thousands).....	\$4,928	\$4,859	\$4,791	\$4,514	\$3,591
*Engineering Construction Awards (Eng. News-Rec. 4-week daily av. in thousands).....	\$9,643	\$8,802	\$10,041	\$10,643	\$10,355
*Electric Power Output (million kilowatt-hours).....	2,465	2,470	2,290	2,174	2,154
Crude Oil (daily average, 1,000 bbls.).....	3,436	3,658	3,229	3,444	3,249
Bituminous Coal (daily average, 1,000 tons).....	1,650	1,533	1,353	1,344	1,329

TRADE

*Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).....	82	81	74	69	73
*All Other Carloadings (daily average, 1,000 cars).....	57	55	47	32	43
Check Payments (outside N. Y. City, millions).....	\$4,761	\$4,136	\$3,834	\$4,536	\$4,409
Money in Circulation (Wednesday series, millions).....	\$7,309	\$7,238	\$7,261	\$6,855	\$6,640
Department Store Sales (change from same week of preceding year).....	+14%	+3%	+3%	+7%	-15%

PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931=100).....	167.7	168.3	167.9	139.6	144.2
Iron and Steel Composite (Steel, ton).....	\$37.74	\$37.44	\$36.01	\$36.40	\$36.61
Scrap Steel Composite (Iron Age, ton).....	\$22.08	\$22.50	\$16.75	\$15.08	\$14.25
Copper (electrolytic, Connecticut Valley, lb.).....	12.500c	12.000c	12.000c	10.708c	10.663c
Wheat (No. 2, hard winter, Kansas City, bu.).....	\$0.82	\$0.85	\$0.87	\$0.69	\$0.64
Sugar (raw, delivered New York, lb.).....	3.61c	3.67c	3.78c	2.90c	3.14c
Cotton (middling, New York, lb.).....	9.16c	9.28c	9.64c	8.71c	8.50c
Wool Tops (New York, lb.).....	\$1.242	\$1.278	\$1.075	\$0.829	\$0.840
Rubber (ribbed smoked sheets, New York, lb.).....	19.51c	20.00c	22.46c	15.93c	17.15c

FINANCE

Corporate Bond Yield (Standard Statistics, 45 issues).....	5.75%	5.75%	5.79%	5.85%	5.74%
U. S. Bond Yield (average of all issues due or callable after twelve years).....	2.72%	2.74%	2.55%	2.31%	2.49%
U. S. Treasury 3-to-5 year Note Yield.....	0.95%	0.99%	1.18%	0.49%	0.67%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average).....	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate).....	%-¼%	%-¼%	½-¾%	½-¾%	%-¾%
Business Failures (Dun & Bradstreet, number).....	222	196	155	245	192

BANKING (Millions of dollars)

Demand Deposits Adjusted, reporting member banks.....	18,306	18,333	18,040	16,072	15,396
Total Loans and Investments, reporting member banks.....	22,500	22,419	22,389	21,634	21,189
Commercial and Agricultural Loans, reporting member banks.....	4,251	4,229	4,075	3,838	3,896
Securities Loans, reporting member banks.....	1,043	1,043	1,182	1,266	1,209
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks..	10,743	10,669	10,731	10,180	9,734
Other Securities Held, reporting member banks.....	3,382	3,400	3,353	3,290	3,215
Excess Reserves, all member banks (Wednesday series).....	5,360	5,330	4,970	3,708	3,019
Total Federal Reserve Credit Outstanding (Wednesday series).....	2,837	2,846	2,643	2,584	2,593

STOCK MARKET (Average for the week)

50 Industrials, Price Index (Standard Statistics).....	124.4	125.0	126.6	101.8	128.1
20 Railroads, Price Index (Standard Statistics).....	34.6	35.8	31.8	24.8	31.4
20 Utilities, Price Index (Standard Statistics).....	68.2	68.5	65.8	60.2	62.5
90 Stocks, Price Index (Standard Statistics).....	101.4	102.1	102.1	83.2	102.3
Volume of Trading, N. Y. Stock Exchange (daily average, 1,000 shares).....	913	1,157	3,687	1,630	1,828

* Factor in Business Week Index. *Preliminary, week ended October 7th. † Revised. § Date for "Latest Week" on each series on request.



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your desk. You can reach the right man at the *right time* — get information — *give instructions* — discuss and decide as if you were there in person.

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BUSINESS WEEK

October 14, 1939

THE BUSINESS OUTLOOK

Advance slows down to more leisurely pace as companies eat into backlogs. Steel's push to all-time production high provides base for estimating prospect of 1929 levels for general business.

FROM NOW ON, recovery will proceed more slowly. Following the quieting down in stock and commodity markets since mid-September, business this week moved upward at a more leisurely gait. BUSINESS WEEK's Index, for instance, gained only one point. But at current levels, around 120, it is only natural to expect a growing resistance to further advance. The industrial plant is now operating at 1937 levels and is only about 10% from the 1929 peak. It will take another upward impulse—a sharp increase in consumption of goods—before industry once again reaches the goal of all-time high production.

Recovery—With Reservations

Yet that goal is by no means unattainable. Without being over-bullish, without being carried away by the sanguine tendencies of the moment, it is well to consider the longer-term prospect for another push upward into new high ground. Currently, economists, statisticians, and business men are making the sound reservations that current expansion in business has been partly synthetic; that the outbreak of war resulted in a rush to buy in anticipation of a repetition of 1917-18. But it must also be remembered that, when war broke out, American industrial recovery was already under way. Business was advancing under its own power. Forward buying speeded the rate of gain.

Finance Machine in Gear

By now, however, forward buying has spent its main force. The orders are on the books, they're being filled, and the inventories that have been built up will have to be consumed before there's another wave of buying. Yet, there are financial factors working for expansion—factors which the tremendous burst of production of the last few weeks has tended to obscure. Financially, this country is set to go places. Bank deposits are at an all-time high. Security purchases are being made for cash, indicating that the bank deposits (which for so long have been idle) are going to work. Excess reserves of member banks also are at record high levels, which

means that credit will be easy and that interest rates will tend to stay low.

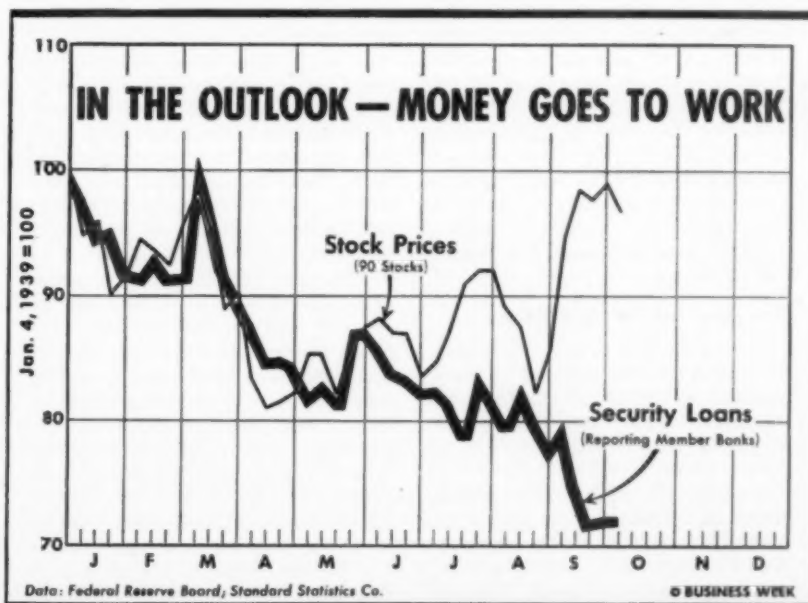
The base has been laid for a huge expansion in credit—if only there is the will to use it. Once more money in circulation has been pushed into new high ground. Whereas five years ago, it was correct to attribute the rise in currency outstanding to hoarding or to the closing of banks, now the rise is due to commercial needs. Trade is expanding. People need more cash and the retail figures show it. Department store sales in September rose 3% over August and chain stores, too, recorded sharp rises in volume. Apparently, consumers are using the increased purchasing power derived from expanded employment.

Once again the economists' famous spiral is at work. And this time it's not

a vicious spiral. Once industry started building up inventories, employment and payrolls filled out. Purchasing power so created now is going into retail purchases; and increased retail sales—if they keep up—will result in re-ordering, in rebuilding inventory.

Steel Passes 1929 Peak

This week, steel ingot production achieved a record high, passing the best week in 1929; electric power has been well above any of its previous tops; oil refining, tobacco manufacturing, shoe production, and textile output also are above their 1929 marks. So, for some industries, 1929 is no longer an aim but merely a point in the past. But two basic industries—automobiles and construction—are far below the 1929 highs. In the auto industry, 1937 production of 5,000,000 cars is still looked upon as the next goal, rather than 1929's 5,600,000 cars. In building, operations are running along at only two-thirds of the 1929 rate, which was not, incidentally, the country's high building year. Thus, in the final



Customarily, when the stock market rises briskly and broadly—as it did from the end of August into the mid-September—some suggestion of a rise in security loans would be a natural expectation. When stocks advanced in March and again in

May, security loans went up. But not this time. Actually, loans were liquidated. This indicates that buying of stocks is largely for cash; that bank deposits are being put to work by investors and speculators, both individual and corporate.

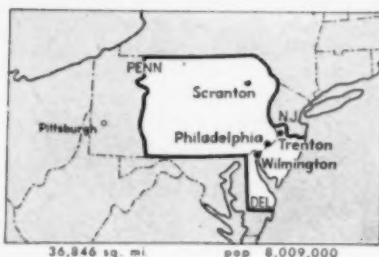
analysis, attaining the 1929 top depends on what happens to automobiles and to building. As yet there are no immediate indications that purchasing power has become robust enough to support a 5,600,000-automobile year or a \$5,700,-000,000-year in building. But the figures do indicate that 1929 is within range. Automobile production is expanding and

building contracts awarded—despite the downward seasonal—have shown no signs of falling off significantly. What's more, the heavy industries are moving and plant expansion is the next probable phase in the upward spiral (*BW—Sep 30'39,p13*).

But for the immediate future—the next few months—business is apt to hold

fairly steady around current levels, as companies work on backlogs of orders. A change in tempo is due late this year or early next, and (as has been said here so many times before) the direction will depend on whether inventories that have been built up go into final consumption by way of foreign orders or retail buying, or both.

The Regional Business Outlook



PHILADELPHIA—Recovery is firmly entrenched in this Reserve district. The frantic rush of buying following the outbreak of the European war has subsided, but bookings of consumer goods manufacturers—clothing, hosiery, knitwear, shoes—are sufficient to keep employment and payrolls up to seasonal requirements throughout the fall. And in the heavy industries, orders already received should result in continuing expansion at least into the first quarter of 1940.

The Sun Shipbuilding Corp., at Chester, for instance, has received a contract to build six additional ships for the Maritime Commission, which insures continued employment for 5,900 men all this year and next. The \$17,000,000 rehabilitation and construction program of the Pennsylvania Railroad (*BW—Sep30'39,p10*) means not only 4,000 new jobs in its shops but also steady business for steel mills and makers of railway equipment accessories and supplies in this territory.

Primed for Arms Orders

In recent weeks there has been a consistent increase in hiring by manufacturers of industrial machinery and by small machine shops—symptomatic of the upturn in national demand for capital goods. Incidentally, large U. S. arms expenditures would be particularly stimulating. Philadelphia has more factories on the government's list of eligible receivers for war orders than any other city in the country.

Two things round out this picture of economic well-being: (1) anthracite has recovered from its summer slump—on domestic and Canadian demand; (2) in September retail sales—in response to expanding payrolls—rose to the best level of the year.



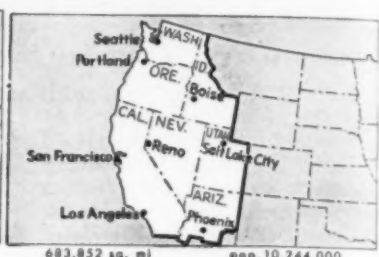
CHICAGO—Steel serves as a good indicator of the upsurge in industrial activity these last few weeks. Late in August, this Reserve district's steel rate was 5 points under the national average of 60% of capacity. Now, with operations in this city at 86% and Detroit schedules at 100%, the rate is up to the country's 89%.

Rail Equipment Boom

Business men, moreover, are pretty well satisfied that the momentum will carry along—even in the event of an unexpected peace. Automobile companies are reaching peak production on 1940 models, which means an accelerating demand for steel, parts, and supplies. Agricultural implement companies are busier. And the railroad equipment industry—of which this district is the national center—is in the prince phase of its prince-and-pauper-cycle. Consequently mills will be kept occupied on freight car and locomotive orders.

This sharp upswing in heavy industrial activity has naturally added to payrolls as well as increasing the hours of workers already employed, and retail sales have begun to reflect this addition to urban purchasing power. Mail order sales, too, are expanding, as a consequence of increased agricultural income. Iowa farmers will benefit from the rise in livestock quotations, while better prices for dairy products and potatoes will lift the income of Wisconsin producers.

There's one curious development here. Some marginal concerns in the Chicago area have seized upon this spurt in production as an opportunity to sell their factories at sellers'-market prices to firms which urgently need additional producing capacity.



SAN FRANCISCO—The trend of business these last few weeks has been slowly and steadily upward, rather than spectacular as in some of the more industrialized regions.

However, a few industries have made outstanding gains. Before the war broke out, lumber was running along at only 50% of capacity; now, despite expanded operations, shipments are not keeping pace with orders—and prices are up. Shipbuilding has jumped from almost nothing to an important employing industry, and along with structural demand, has boosted steel production.

To augment domestic supplies of strategic war materials, the Bureau of Mines has sent out scouting expeditions to various deposits here, specifically: Valley County, Idaho, for antimony; John Day, Oregon, for chrome; Olympic Peninsula, Washington, for manganese; the Nightingale district, Nevada, for tungsten; but immediate effects on business, are likely to be modest.

An Ill Wind

The aviation industry continues to expand, but there is apprehension over the Neutrality Act. The shipping trade is disturbed lest Congress bar shipments to belligerents in non-combat waters. That would shut off Matson line service to Australia and New Zealand and President line trips to Hong Kong and Singapore.

The advance in prices has boosted farm income (*BW—Sep9'39,p10*), but a freak weather sequence—a hot, dry spell, followed by a severe wind and rain storm—damaged date, cotton, and uncovered hay crops in lower California valleys. Many other products, however, benefited from the early rains.

The Regional Outlook surveys each week three of the twelve business areas of the country.



Next week the public gets its chance to gawp at the handcraft of the Automobile Manufacturers Assn.'s show committee—Richard H. Grant, General Motors

vice-president, and Alfred Reeves, show manager; Paul Hoffman, Studebaker president, and Committee Chairman Byron C. Foy, Chrysler vice-president.

The Auto Show: A Preview

Changes in cars and sales strategy reveal how industry sizes up 1940. Manufacturers in popular field add to car instead of reducing prices.

GENERAL MOTORS' Alfred P. Sloan, Jr., is credited with saying not long ago that he wouldn't care if nobody went to the automobile shows—that they justified their existence amply by providing a springboard for new model publicity.

On Oct. 15, the New York Automobile Show and others in cities through the United States open their doors. Skepticism over attendance—due to early introduction of many makes—is indicated by a lowering of admission prices (40¢ instead of 75¢ in New York). Nevertheless, new car interest as evidenced by early sales reports is at a peak, and many thousands will come to compare. Here is what they will find:

More Similarity of Design

Year by year, the industry's products have tended to look more and more alike at first glance. Occasional departures in design have been quickly abandoned, or have been rapidly imitated by the majority of the industry.

This year, the front end styling set largely by Lincoln-Zephyr of two years ago has become almost universal. "Low cooling" is the rule rather than the exception with only such makes as Nash, LaSalle, Lincoln, and Packard following the high and narrow grille styling first popularized by LaSalle.

This trend has eliminated the radiator grille outline as a ready means of car identification. Attempts at distinctiveness through rear end design have been made, as in the new Chrysler lines, and

the more streamlined Fisher bodies. Lincoln-Zephyr aims at individuality with flaring-out side panels. But it won't be easy for the chronic pedestrian to tell, at a glance, Hudson from Chrysler, Buick from Dodge, or Ford Deluxe from Studebaker Champion.

The battle of the running boards continues. The argument appears to be that women want them, while men like cars without them. Several makers, including Willys and Chrysler, are making running boards optional, while some models in G.M. lines have them and other new ones do not (including Buick 50 and 70, Pontiac Torpedo, Old Custom 8, LaSalle Special). The Studebaker Champion, Cadillac Special, and Lincoln-Zephyr, continue without running boards.

Door-locks easy to open and close have become almost universal. Most cars also have hinges which keep doors from swinging closed when opened wide. There is a wider use of concealed hinges, particularly in the G.M. and Chrysler lines.

Close-coupled coupes, which have made strong headway since the death of the rumble seat, are now generally equipped with full width rear seats like the Ford Mercury, instead of the folding types found on many cars last year. Convertible models, such as the Ford types, make a stronger bid for favor with automatic raising and lowering mechanisms for the no-man tops.

There seems to be continuing evidence

that manufacturers in the low-price field prefer to add to their cars rather than cut prices when possible. Weight and cubic content cost money, yet all three major low-priced makes are heavier and bigger than last year.

Chevrolet and Plymouth particularly have increased body size. It is true, of course, that Chevrolet body shells are used for the Olds 60 and Pontiac 6, while Plymouth body shells form the nucleus of the Dodge, DeSoto and smaller Chrysler. Nevertheless, the volume represented by these lines, whose buyers might justifiably ask for more room, does not seem to be sufficient to offset the theoretically increased cost on the mass production cars.

Used Cars a Price Factor

Apparently the economists holding sway within the industry believe a lowering of new car price structure would hurt rather than help sales by aggravating the used car problem. They hold that new cars should not invade what might be termed the "price range of used cars".

Prices in the popular field show an apparent increase rather than decrease. For example, Plymouth has dropped its four-door "without trunks", and its lowest priced four-doors are thus slightly higher than in 1939. Similarly, Ford's prices are \$16 higher. Up also are the key models for Nash-Lafayette and Pontiac, while Hudson and Studebaker remain unchanged. Actually, the increases are more apparent than real, since the new prices frequently include equipment formerly billed as extras.

On the other end of the industry's price structure, however, decreases are the order of the day. Packard has abandoned its high-priced 12 in favor of a \$1700 cheaper "Custom Super 8". Buick has reduced generally, though Cadillac prices are holding steady. Chrysler prices

What They Cost *

	1940	1939
Buick 40	\$ 996	\$ 996
Buick 50	1109	
Buick 60	1211	1246
Buick 70	1359	
Buick 80	1553	1543
Buick 90	1942	2074
Cadillac V-8 (62)	1745	1680
Cadillac 60 Special	2090	2090
Cadillac 72	2670	
Cadillac 75	2995	2995
Cadillac Sixteen	5140	5140
Chevrolet Master 85	NA	669
Chevrolet Master Deluxe	NA	720
Chevrolet Special Deluxe	NA	
Chrysler Royal	995	1010
Chrysler Windsor	1025	1075
Chrysler Traveler	1180	1198
Chrysler New Yorker	1260	1298
Chrysler Saratoga	1375	1443
Chrysler Crown Imperial	2245	2595
DeSoto Deluxe	945	970
DeSoto Custom	985	1023
Dodge Six	855	855
Dodge Deluxe	905	905
Ford V-8 (60)	685	669
Ford V-8 (85)	725	709
Ford Deluxe	785	769
Graham Skylark	NA	
Graham Special	NA	965
Graham Supercharger	NA	1095
Graham Custom Supercharger	NA	1225
Hudson Six	763	
Hudson Deluxe Six	806	806
Hudson Eight	952	
Hudson Super Six	870	908
Hudson Country Club 6	1018	995
Hudson Country Club 8	1118	1079
LaSalle 50	1320	1320
LaSalle 52	1440	
Lincoln-Zephyr	1400	1360
Lincoln V-12	4900	4900
Mercury 8	960	934
Nash Lafayette	875	840
Nash Ambassador 6	985	985
Nash Ambassador 8	1195	1235
Oldsmobile 60	899	889
Oldsmobile 70	963	952
Oldsmobile Custom 8	1131	1043
Packard 110	975	995
Packard 120	1146	1196
Packard Super 8	1632	1732
Packard Custom Super 8	2395	
Packard 12	None	4155
Plymouth Road King	740	726
Plymouth Deluxe	805	791
Pontiac 6	NA	866
Pontiac Deluxe 6	932	922
Pontiac 8	970	970
Pontiac Torpedo 8	1072	
Studebaker Champion	740	740
Studebaker Commander	965	955
Studebaker President	1095	1100
Willys Speedway	545	555
Willys Deluxe	620	655

*Quotations are for lowest-priced four-door sedans and are based on factory advertised delivered prices. Because of the inclusion of federal taxes and handling charges in some 1940 models and because of basic model changes and shifts in standard equipment, exact price comparisons are impossible. NA means "not announced" as of Oct. 12; blank lines in 1939 column indicate no comparable model last year.

are down, as are those of the larger Nash and Studebaker models.

Still to be determined is the effect which changes in pricing policies, such as G.M.'s and Chrysler's program to curb evils of price "packing" (*BW—Oct 7 '39, p16*), will have on actual cost to the retail purchaser. Some cars apparently higher priced than formerly, such as the new Fords, may actually deliver for slightly less in many sections of the country.

Comparing Price Schedules

The accompanying table gives a summary of the advertised delivered prices only and should not be used for direct competitive comparisons. Another factor is whether or not some manufacturers will continue the policy of equipping all cars shipped with "standard equipment at extra cost". (At one time, even paint was extra on one line of cars, wheels on another.)

Major contribution of chassis engineers to the 1940 automobile crop is a marked improvement in riding qualities. Chrysler has probably spent more money in this direction than others. An increase in wheelbase for all Chrysler makes necessitated completely new bodies, frames, and transmission housings. Technically, Chrysler engineers have attempted to locate the rear spring centers well back at the "center of percussion."

Having softened front springs in the last few years (largely through the adoption of independent springing—joined this year by Hudson with its "autopoise") car makers this year turned to rear springs. Softer rear springs are found on many makes, including Chevrolet, Ford, Cadillac, Buick, and Hudson. Ford has also softened front springs materially. Packard has added a fifth shock absorber on its larger models to take care of side-sway. Several cars are found with torque bars (side-sway control) both front and rear.

Contributing also to riding comfort are advances in seat construction. Buick, Cadillac, and Chrysler are among those who have joined Nash and Hudson with rubber seat cushion padding.

Shifting and Transmission

Engineers went to work during the past year and made the steering wheel gearshift a lot easier to handle. Chevrolet, however, is still alone with a vacuum power shift, Hudson having dropped the electric hand because of service difficulties. At the same time, transmissions have been re-designed, as on Chryslers with controls on the side of the cases to reduce floor height in the bodies.

A much-discussed mechanical development of the year is G.M.'s new Hydra-Matic transmission, to be offered first on the Oldsmobile line. Reportedly priced at only \$57.50 extra—but slightly more than many an overdrive—the transmis-

How They've Changed

Buick—Has added two new cars, the series 50 (built on the 40 chassis) and series 70 (on the 60 chassis), making six groups of cars in all. New models boast striking new bodies.

Cadillac—New Fleetwood 72 added to line at several hundred dollars under former Fleetwood models. Line now comprises five groups of cars.

Chevrolet—Special Deluxe line of body models added, extending price range upward; differs from Master Deluxe mainly in equipment and trim. All-helical transmission adopted. Vacuum shift now standard. Engine moved ahead.

Chrysler—Has completely new bodies with restyled rear end. Fluid clutch available in more models.

Dodge—Looks less like Plymouth than in 1939. New bodies and longer wheelbase.

DeSoto—Front ends and general styling of new bodies represent a modification of Dodge lines. Longer wheelbase, better ride. **Ford**—V-8, both 60 and 85, now have front-end styling like last year's Deluxe. The 1940 Deluxe has new front end with rounded nose. Vastly improved ride with softer springs front and rear. Gearshift now on steering column.

Graham—Details of changes in Supercharger not available. If company raises new capital, it will produce a companion car based on former Cord front-drive bodies.

Hudson—Has added a "performance" eight to its line with powerful engine in lighter chassis. Bodies are new and striking. Lowest priced line now has sedan models. Electric hand dropped, but gear shift has been kept on steering column.

LaSalle—Has added new line, the 60 Special. These new bodies are similar to the Cadillac 60 Special of 1939. Narrow high radiator grilles are retained.

Lincoln-Zephyr—New bodies, with more refinements in streamlining. Sides of the body flare out at the bottom to protect against mud and gravel. Engines smoother. **Lincoln**—Retains same body lines as in 1939, including conventional front ends.

Mercury—Features improved ride with softer springs. Convertible sedan has been added. Front end looks like 1939 Mercury and Ford V-8 rather than Deluxe.

Nash—Retains same body lines with narrow vertical grille; steering and conditioned air system further improved.

Oldsmobile—"Hydra-Matic" drive, available at extra cost (around \$57.50) is one of most talked-about mechanical developments of 1940. Combines automatic gear-changing with fluid clutch.

Packard—Weight is reduced and prices lowered. Front end represent compromise between characteristic Packard outline and current "low-cooling" trend. Twelve-cylinder model has been dropped.

Plymouth—Boasts new bodies, but front ends are reminiscent of 1939 models. Longer wheelbase gives much improved ride. Four passenger coupe added to line.

Pontiac—Now has four models, having added a new eight on which Torpedo bodies are available at \$100 extra. The line now overlaps Buick lower price range.

Studebaker—Steering improved and front grille has been redesigned on the low-priced Champion introduced this spring.

Willys—Remarkably improved appearance. Weight reduced for performance and economy. Prices further reduced.

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"STANDARD OF INDIANA":

**2000 PETROLEUM PRODUCTS;
4000 BULK DISTRIBUTING STATIONS;
605 COMPTOMETERS**

WORLD'S LARGEST complete petroleum refinery at Whiting, Indiana. Here "Standard of Indiana" had its beginning.



The "Standard Service" man is a familiar figure to motorists in 13 Midwestern states. This year, Standard Oil Company of Indiana celebrates its 50th Anniversary . . . and for 38 of those 50 years its figures on production, manufacturing and sales have been checked and compiled on Comptometers.

Records in Standard's files show that the first Comptometer was purchased in 1901, when the principal Standard product was kerosene, source of light and heat in thousands of Midwestern homes. Today, 605 Comptometers are used by "Standard of Indiana" in the business of producing and selling 2000 petroleum products.

"Comptometer economy" is applied to checking sales and deliveries, compilation of reports and statistical data, compilation of costs and production reports of 4000 bulk distributing stations, checking invoices and other phases of figure-work.

"Standard of Indiana" officials express complete approval of the efficiency, accuracy and economy of Comptometer methods.

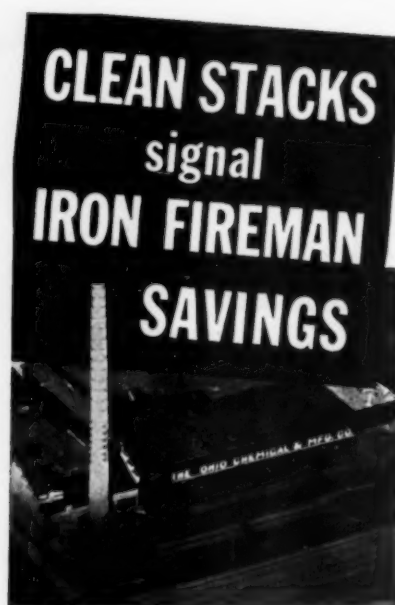


"Compelled operating accuracy" is a boon to these Comptometer operators in Standard's Chicago general office. The Controlled-Key and other exclusive accuracy safeguards enable them to achieve a remarkably high degree of first-time accuracy and keep figure-work costs low.

COMPTOMETER

REG. U. S. PAT. OFF.

Certainly your business is "different"! But Comptometer methods are adaptable to almost every figure-work problem. For a demonstration (on your own work), telephone your local Comptometer office. Or write direct to Felt & Tarrant Mfg. Co., 1733 N. Paulina Street, Chicago, Ill.



No fuel dollars flying out the stack in smoke! This is the clean stack of the Ohio Chemical plant, Cleveland, where an Iron Fireman fires the boiler.

Ohio Chemical Saves 26%

A clean stack is good business. It tells the world—"here's a company that takes pride in its operations; is not inflicting a smoke nuisance on the community; and is getting the most for its fuel dollar." And clean stacks signal the location of Iron Fireman stokers.

In the Ohio Chemical & Manufacturing Co. plant, an Iron Fireman cut fuel costs 26 per cent. And this saving is only one of many benefits. Reports A. M. Russell, treasurer: "The ability of the Iron Fireman to instantly meet fluctuating load requirements has resulted in a more efficient operation in our processing ... and its operation has conformed to the smoke abatement ordinance."

FIND WHAT YOU CAN SAVE

Find out how much you can reduce your fuel costs, and to what extent you can improve your steam output. Simply mail coupon. We will make, at our own expense, an Iron Fireman Engineering Survey of your steam costs ... in cooperation with your own engineer, consulting engineer or fireman.

The Iron Fireman Pneumatic Spreader fires steam-size coal ... fines burn in suspension, and larger pieces burn in a shallow layer on the grates. Adapted to efficient firing of a wide range of low price coals. (Shown in Ohio Chemical plant.)



IRON FIREMAN

Automatic Coal Stokers



IRON FIREMAN MFG. CO.
Portland, Ore.; Cleveland; Toronto.
Mail to 3148 W. 106th St., Cleveland, Ohio.

☐ See us about making an Engineering Survey of our steam costs.

Send: ☐ Industrial Power Catalog

☐ Commercial Heating Catalog

Name _____

Address _____

sion eliminates clutch pedal and normal gearshifting. The steering column carries a shift mechanism to permit selection of low-range, high-range, or reverse, but in actual straight ahead driving, starting, and stopping, no shifting is required. This is made possible by an overdrive mechanism in combination with a two-speed transmission and a fluid flywheel, instead of a conventional clutch. Part of the transmission is ahead of and part of it behind the fluid flywheel.

At the price—actually less than cost—if the cost of the standard transmission replaced is not counted—Olds should be able to equip and sell as many cars as it can obtain transmissions for, from G.M.'s new Detroit transmission plant.

Performance and Economy

Little has been done from a strictly engineering standpoint to improve performance and economy. Hudson and Packard have bigger eights in lighter chassis for striking road performance. Willys and Packard have cut weight to improve acceleration and economy. There is a tendency toward further increases in compression ratio, as on the larger Chryslers, Packards and the Pontiac Eight. Automatic valve adjustment that keeps valves quieter and improves efficiency has spread somewhat, with Packard's adoption of the device as an example.

Adoption of the new cooperative "safety-beam" headlamps on virtually all cars introduced a few problems of its own. The higher current consumption of these lights has required a rather general increase in generator capacity, and adoption of voltage control to prevent overcharging batteries.

Since there is no provision for parking lights in the new headlamps, manufacturers have placed parking bulbs in various positions. Olds has them in the right and left radiator grille. Some, like Hudson, have put them in the side of the hood where they also flash off and on with the tail lights as a warning to cross-traffic. Others, like Cadillac and Buick, have separate lamps on the fenders; still others, like Chrysler and Studebaker have built them into the headlamp mounting.

Lights All Around

That car manufacturers seem to have become lighting conscious would appear from the profuse adoption of lights here and there for almost everything. Even Chevrolet now has tail lights designed to illuminate the luggage compartment while the separate license bulb lights up the rear deck keyhole. Chrysler, which came out with an instrument light which changed from green to amber to red with car speed, now has warning lights to flash out a signal if oil pressure or gasoline gets low, or if the engine gets too

hot. (Hudson had this back in 1933.) Packard has joined Chrysler with a similar set of color speed indicators. One manufacturer even has a bulb which gently chides the driver when he isn't using his overdrive. Buick, which has a steering wheel switch-controlled system of direction indicators, has been joined by several others, including Cadillac-LaSalle, and Hudson on its Country Club models.

More Weather Comfort

Car engineers at last seem to be giving more serious attention to heating and ventilating. Nash, a pioneer in this field with its "weather eye", has further improved the design. Chrysler has built ducts for its heater into the interior cow side panels on all models, so as to throw heat back into the rear compartment between front seat and door. Pontiac, among others, has an "under-seat" heater available. Ford hot-air heaters have silencers.

A couple of years ago, car makers started to move batteries up under the hood for easier access and to shorten the wiring from the generator. One trouble has been, however, that it made batteries too easy to steal. Chevrolet this year has joined Hudson with a hood which locks from inside the body as a protection against theft.

New Safety Devices

In addition to the adoption of better headlighting, there are numerous individual developments for increased safety. First is the general adoption of the newer type safety glass, which now retains its shatterproof qualities in winter as well as summer.

Larger rear windows for visibility (curved for appearance and glare-reduction) are found in many cars, including Chrysler and G.M. lines. Windshields are increasing in slant and size for visibility. Fisher bodies have rear door locks which cannot be opened by a child leaning on the handle. Several more makes have gone to rear doors hinged at the front so that air-pressure will tend to keep them closed. More makers, like Buick have added boosters to make wiper operation more reliable, while Chrysler lines have a two-speed control system for operation of their electric wipers.

Oil Men Eye Court

Antitrust decision awaited as TNEC quiz drones on; prices firm against seasonal trend.

THIS WEEK the petroleum industry was at the crossroads—again. With the convening of the Supreme Court, oil men were awaiting a decision on the Madison antitrust case. The TNEC probe of petroleum practices, in which the indus-

THE OUTSTANDING TRUCK FOR THE MONEY

FORD V-8 FOR 1940

FORD FEATURES FOR 1940

New styling • Increased engine accessibility
Increased chassis accessibility • Choice of
power—95, 85, 60 hp • 42 body and chassis
types • New Sealed-Beam Headlamps • Big-
ger batteries, larger generators with auto-
matic voltage regulation • Big hydraulic
brakes • Full-floating rear axle with straddle-
mounted pinion and ring gear thrust plate
Two-speed axle (optional at extra cost)
Ford Engine and Parts Exchange Plan.

The big new 1940 Ford Truck line gives you value in construction, performance and economy that means "the outstanding truck for the money."

Three eight-cylinder engine sizes—95, 85 and 60 hp. Six wheelbases. 42 body and chassis types.

There's new styling. New engine and chassis accessibility, making it easier to check the oil, service the distributor and other engine accessories, as well as clutch, transmission and rear axle. New, softer, more comfortable seats in Regular cabs. These and many more improvements join a host of time-tested, time-proved Ford features in 1940.

See the new Ford Truck at your dealer's. Compare it with any other truck. Arrange for an "on-the-job" test and know the difference before you spend another truck dollar.

Ford Motor Company, Builders of Ford V-8 and Mercury Cars, Ford Trucks, Commercial Cars, Station Wagons, Transit Buses



WHAT TO DO WHEN EMPLOYEES NEED CASH LOANS

Do you have to say "no" when an employee asks for a loan to meet an emergency? Does company policy prevent you from advancing the funds you know he needs to meet bills that can't be paid out of current earnings?

Workers can get cash here

Your company can hardly be expected to act as family banker to all your workers. Yet where shall you tell your employees to borrow? From a bank? Banks require collateral which wage workers seldom own, or co-makers they can't readily get. From a friend? Friends usually have their own money problems.

To make loans to workers without bank credit is the job of Household Finance. At Household responsible families can borrow up to \$300 on their character and earning ability. No bankable collateral is needed, no wage assignment taken. Last year this service helped over 600,000 men and women to pay medical and dental bills, make repairs, keep insurance in force, pay taxes—meet money emergencies of many kinds.

Borrowers at Household repay their loans in equal monthly installments. Each may choose the payment schedule which best fits his budget. This plan permits borrowers to clear up their indebtedness without sacrifice of living standards. The table below shows sample loans and monthly payments.

AMOUNT OF CASH LOAN	AMOUNT PAID BACK EACH MONTH Including All Charges				
	2 mos. loan	6 mos. loan	12 mos. loan	16 mos. loan	20 mos. loan
\$ 20	\$ 10.38	\$ 3.63	\$ 1.95		
50	25.94	9.08	4.87		
100	51.88	18.15	9.75	\$ 7.66	\$ 6.41
150	77.82	27.23	14.62	11.49	9.62
200	103.77	36.31	19.50	15.32	12.83
250	129.71	45.39	24.37	19.15	16.04
300	155.65	54.46	29.25	22.98	19.24

Above payments figured at 2½% per month and based on prompt payment are in effect in New York and nine other states. Due to local conditions, rates elsewhere vary slightly.

Thousands learn money management

Household believes that a family should do its best to keep out of unnecessary debt. To borrowers—and to all who request the service—Household gives guidance in money management and better buymanship. Families learn to save on daily purchases and get more out of limited incomes. Household's consumer publications are now used in more than a thousand schools and colleges.

Wouldn't you like to know more about this family money service and how it can help your employees? The coupon below will bring you further information without obligation.

HOUSEHOLD FINANCE

CORPORATION and Subsidiaries
Headquarters: 919 N. Michigan Ave., Chicago
"Doctor of Family Finances"

one of America's leading family finance organizations, with 255 branches in 164 cities

HOUSEHOLD FINANCE CORPORATION, Dept. BW-10
919 N. Michigan Ave., Chicago, Ill.

Please send me booklets about Household's family money service without obligation.

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try was "telling its story," droned onward. And some prices were firming up against the seasonal trend, with the industry looking for war business to tide it through the winter.

Thus far, war business has been somewhat disappointing. True, there have been a good number of inquiries from the combatant countries, and these for all kinds of oil. But, aside from commitments made before hostilities began, actual shipments have not expanded to the extent it was expected they would; in fact, petroleum exports since the beginning of the war have been below previous levels. The reasons for this are several.

Tankers Are Scarce

American companies refuse to risk their own tankers for war business; foreign tankers, in turn, are similarly scarce. (Last week, 14 tankers were reported overdue at Corpus Christi, apparently because they were taking a roundabout course to avoid meeting up with an enemy.) The shortage is most acute in Scandinavian vessels, which are not carrying consignments to belligerent countries.

Tankers will continue to be scarce—and exports correspondingly small—until such matters as high shipping costs, acceptable methods of payment, and arrangements for convoying cargoes are worked out. Even then, assuming an adequate supply of tankers, there is this further factor: How far ahead are the combatant countries, especially France and England, stocked up on oils? (Exports to Germany are dubious, because of the British blockade; in the first two weeks of the war, England captured 62,000 tons of oil destined for Germany.)

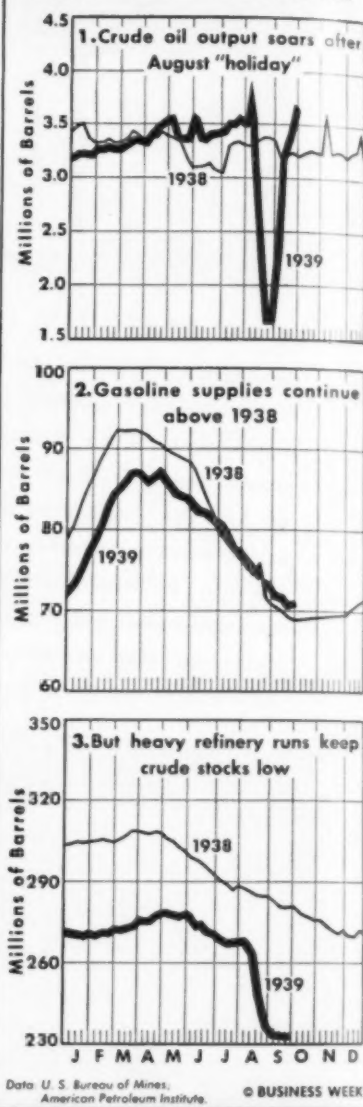
Estimates on these war stockpiles range from two months upward. Thus, until their stocks approach depletion, these countries are not expected to come to the American market for oil. Once they do come, however, the chances are that they will lean more heavily on us for gasoline and other refined products than for crude oil.

Excess Could Fill Demand

Such foreign demand would take care, very nicely, of the surplus gasoline stocks on hand, perhaps even overnight. Such stocks on Sept. 30 totalled 10,000,000 barrels more than the 61,000,000 considered economically desirable at that time, the end of the heavy consuming season (see chart). However, the excess is figured to be in strong hands (some ten major companies), and there is no distress gasoline on the market at present.

Crude oil stocks, conversely, are in a strong position. At 233,000,000 barrels (on Sept. 30), they represent little more than two months' working supply—probably the lowest in two decades. This came about largely as a result of

THE OIL PICTURE



the shutdown, for withdrawals from stocks during the shutdown (and in the two weeks following) were larger than all of last year.

The firming in prices currently taking place arises not only over the prospects of war business, but also because of other factors. In crude oil, for instance, a number of companies caught short of crude supplies during the half-month shutdown were forced to raise their buying prices. Similarly, Pennsylvania crude was advanced largely because of the increased industrial demand for lubricating oils. Fuel oils likewise have shown an improvement.

Thus, this week, the petroleum industry was all set to handle any inflow of war business. If it expanded as expected, then a further firming in prices might result; if not, there might be some reaction, particularly in gasoline.

SERVICE BENEATH THE SURFACE . . .

TO Todd Shipyards come ships of all types . . . from all parts of the world . . . for all kinds of repair and conditioning. And to each job, Todd engineers and workmen apply their conviction that here, every problem requires *the best solution that skill can offer.*

It is this service beneath the surface . . . this true craftsmanship . . . which gives *each* detail its rightful attention . . . makes *all* details total to a job that is RIGHT. It is this belief—supported by the finest and most modern of equipment—which has earned Todd's reputation for thoroughness and efficiency.

TODD

SHIPYARDS CORPORATION

ONE BROADWAY, NEW YORK, N. Y.

ROBINS DRY DOCK AND REPAIR CO. Brooklyn
TODD MOBILE DRY DOCKS INC. Mobile
TODD-JOHNSON DRY DOCKS INC. New Orleans
TODD GALVESTON DRY DOCKS INC. Galveston
TIETJEN AND LANG DRY DOCK CO. Hoboken
TODD SEATTLE DRY DOCKS INC. Seattle
TODD COMBUSTION EQUIPMENT, INC. New York
TODD OIL BURNERS, LTD. London, Eng.



How Mickey Mouse joined our family

by Westinghouse



• "Plastic dishes with pictures of Mickey Mouse—how in the world did Westinghouse get into that line?" asked a buyer. Well, it's an odd story, showing how the logic of production sometimes leads to surprising answers.

• Among the many electrical products that we make are the outlets, switches, plugs, fuses and other little connections needed in a wiring system. They are known as Bryant and Hemco wiring devices, and are made in our factory in Bridgeport. In 1928, when the amazing possibilities of plastics were startling industry, we took over a nearby plastics plant to mould these various devices.

• The capacity of this plant was greater than our needs, so we either had to cut it down or find new uses for plastics. About that time, scientists created new plastics in vivid, rainbow colors—marvelously suited to tableware, toys, smokers' fittings and hundreds of such things. It seemed a long jump from dynamos and motors, but we had the plant and the plastics, so we plunged into the new field.

• Famous designers went to work — skilled tool makers made

hundreds of new dies — we hired salesmen who knew dishes and tumblers rather than switches and plugs — and almost before we knew it, had an important new business on our hands.

• Our first big hit was with children. They were delighted with fascinating dishes decorated with pictures of Mickey Mouse, Snow White, and other lovable people who live in story books. We have sold millions of dishes glorifying Mickey and his gang! And millions of gaily colored spoons, plates, tumblers and kitchenware, all identified by the well known names they bear — Hemcoware or Safetyware. That ashtray on your desk, the plastic housing of your new electric razor or the beautiful plastic cabinet of your bedside radio—they probably are all of our make.

• Today, this plastics plant is busy with orders from chain and department stores from all over the country...from sales organizations who use these products for premiums and novelties...and from manufacturers who are using plastic parts in their products.

• To us Westinghouse people, trained as we are to do years of research before launching a new electrical product, this overnight success that seems almost to have come out of the air, is startling and refreshing. Actually, of course, it did take a lot of planning and good team work—but still, it's fun to look back and see how Mickey Mouse came to join the Westinghouse family.

Building Broadside

Prepare cases against firms and unions in nearly every branch of the industry as parade of witnesses begins in Cleveland.

FEDERAL GRAND JURY action in Cleveland last week launched the long-heralded drive of the Department of Justice on building costs, monopolies and rackets. More than 100 witnesses may be called, in sessions that may last three months.

As jurors began hearing evidence of an alleged glazing monopoly in Cleveland, and of a plumbing monopoly on a national scale, another jury was called into session in New York to investigate the electrical industry. Half a dozen more juries were anticipated in other cities.

Plumbing and electrical investigations are the first of the "vertical cases" planned by Thurman Arnold, assistant attorney general, in which indictments will be sought against manufacturers, distributors, contractors, trade associations, and union officers. In such cases, the whole industry will be under scrutiny in an effort to uncover a gigantic "conspiracy" to maintain high price levels.

Federal agents said the drive began in Cleveland because a Cleveland Press investigation of building costs immediately preceding it had saved investigators "months of work" and enabled them to prepare their cases more quickly.

Curbs, Boycotts, "Yellow Book"

Edward P. Hodges, special assistant attorney general, headed the staff of 15 lawyers and economists from the department who began presentation of evidence to the jury. Secrecy, as usual, cloaked the proceedings. It was known, however, that the plumbing case included these charges against labor:

(1) That union officers restricted the work performed by members in a day; (2) that unions boycotted certain products, notably labor-saving shop-fabricated materials; (3) that unions had established and enforced a super-code known as the "yellow book", which required in some instances as much as 125% more labor, materials and costs than the legal city plumbing code; (4) that unions had "cooperated" with certain contractors' trade associations which maintained high cost levels, and had refused to permit their members to work for other associations.

The case against the industry includes charges:

(1) That trade association members operated "bid depositories" at which bids were opened and amounts agreed upon before submission to the prospective builder; (2) that trade associations enforced boycotts on the products of certain manufacturers and jobbers; (3) that certain manufacturers, wholesalers and jobbers were parties to conspiracies

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to boycott products of other manufacturers.

A case against the glazing industry is linked to Don Campbell, glaziers' union business agent now serving a five-year sentence in Ohio penitentiary for extortion (BW—Mar 19 '38, p18). The charges there are that Campbell, as union czar, allowed only two companies to install glazing; that he owned one of them (which employed non-union men, by the way) and collected tribute from the other, and that glass installed by other companies was smashed so frequently that insurance on it was almost impossible to obtain.

Testimony will allege that Campbell continues to operate this racket from his prison cell, continues to collect \$75 a week salary from the union as business agent, and is maintained in this position against the wishes of local union members by domination of International Glaziers' union officers. There is also a study of the entire glass industry, not yet completed.

New York's electrical case was understood to be built along the same general lines.

A General Offensive

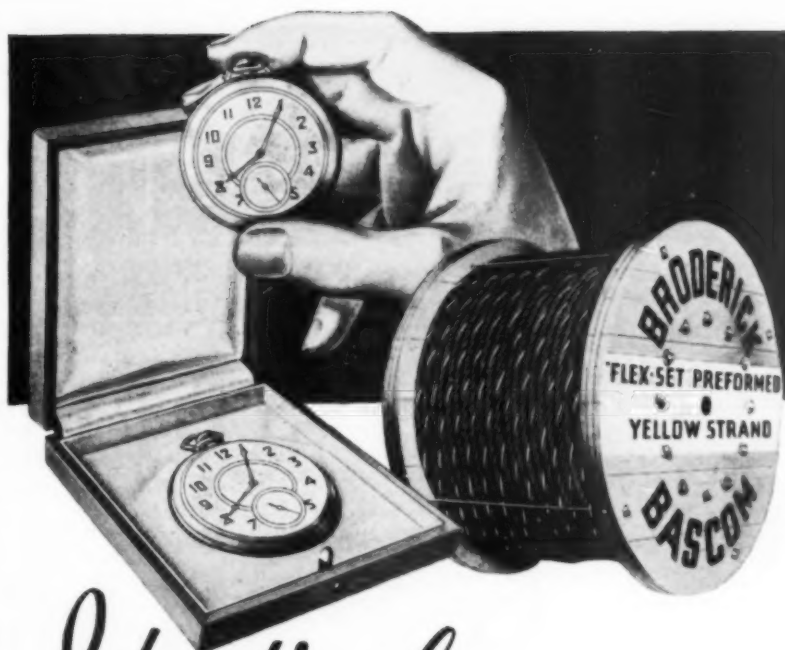
Cases against nearly every major building trade and industry are being prepared, many of them to be presented to the Cleveland jury. Under fire will be ornamental tile, cement, painting, excavating, plastering, and several others. Six plastering contractors indicted in Cleveland for alleged collusion to raise bids on a PWA-financed project were being tried in federal district court this week.

Charges against lathers' unions, which openly prohibit their members from working for contractors other than an approved 10 (six under indictment) who are members of an association, were predicted. It is charged that 70 other plastering contractors are being forced to hire union men through union-established middlemen at a \$3 per day per man additional wage.

Rackets Are the Target

The *Press* survey of Cleveland's building revealed that the city had, in July, a shortage of 20,000 homes, was building 500 a year to meet a demand for 5,000 a year. It purported to show that an average six-room, one-family house in Cleveland cost \$6,500 whereas the same house in certain other cities, where wage scales and material prices were essentially the same, would cost only \$5,500.

Resolutions adopted by building trades unions in the American Federation of Labor convention in Cincinnati charged that the government investigation was an attempt to drive down wage scales. Both Mr. Arnold and his chief, Attorney General Frank Murphy, repeatedly have said it was not aimed at wage scales, but at rackets which reduced union employment in the long run.



Identical IN APPEARANCE, But—

How about the works? You know that a watch case doesn't even suggest the character of the mechanism inside.

It's the same with a wire rope; nothing on the outside indicates its degree of toughness, strength, and flexibility — unless the rope is branded to show who made it. "Flex-Set" Preformed Yellow Strand is branded by painting one strand yellow.

That Yellow Strand is your infallible guide to the purchase of highest quality wire rope — a guide in which you can place the utmost confidence; for it belongs to the Broderick & Bascom Rope Co. whose reputation as "quality" manufacturers has been gained through 63 years making nothing but wire rope, and making that rope so good that long life has always been an outstanding feature.

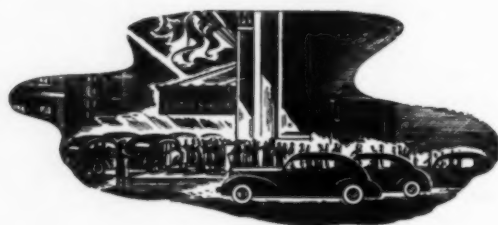
"Flex-Set" Preformed Yellow Strand is the highest grade Broderick & Bascom product, to which the "preforming" process has given additional endurance and economy. Wherever used — in road or general construction, rotary drilling, mining, quarrying, lumbering, plant operation — it has more than earned a profit on its cost.

Try "Flex-Set" for economy. Complete details and prices will gladly be supplied by any of our offices, branches, or distributors.

BRODERICK & BASCOM ROPE CO., St. Louis

Branches: New York, Chicago, Seattle, Portland, Houston. Factories: St. Louis, Seattle, Peoria.
Manufacturers of all grades and constructions of wire rope, preformed and standard, for every purpose.

"FLEX-SET" PREFORMED YELLOW STRAND



A STATEMENT *by* GENERAL MOTORS

ONCE again at the automobile shows and at its dealer showrooms in every community throughout the land, the motor car industry is in the process of displaying its new models before the sight and judgment of America.

How well and how widely these cars win favor, is important not only to those who make them, but also to the national economy. For the automobile today is not merely the product of the factory that builds it—it is equally the product of scores of producers and suppliers of raw materials involving the productivity of millions of workers distributed in thousands of places — almost everywhere.

So it is not enough that the new cars represent improvement over yesterday's models. In the general interest they must also represent values so compelling as to stimulate wide-spread buying.

We believe you will find the General Motors cars for 1940 fully meet these requirements.

There is built into them the accumulated experience of an engineering group which, from the very beginning of the industry, has had the ability and courage to pioneer. Originating with the electric self-starter in the early days, down through the years there has come a continuous series of engineering achievements. But that is not all! General Motors technicians have demonstrated their versatility by developing such engineering products as the Diesel locomotive destined to revolutionize transportation by rail, the Allison aviation engine recognized as a most important contribution to aviation engine practice, and in a somewhat different field, tetra-ethyl lead as a component of gasoline, revolutionizing the relationship of the fuel to the engine, making possible more

CHEVROLET • PONTIAC • OLDSMOBILE • BUICK

power with less weight and with greater efficiency. General Motors is proud of this record of achievement.

But now in 1940 comes something more, and important. A new mechanism to connect the engine with the car has been in evolution for several years. It takes advanced form in 1940 and will be introduced in one of the cars of the General Motors line. The clutch is eliminated. The changes in ratio, or speeds, are automatic. You simply steer! And the cost is astonishingly low for such an achievement. This device is destined to take the transmission out of the driving technique of the car of tomorrow. You certainly will be intrigued when you see and try this interesting mechanism.

But the modern motor car has become not only something in which to go from place to place, but for many something to live in—hence comfort, luxury of appointment, size, are important considerations. General Motors 1940 cars are definitely larger. The seats are wider. There is more room for both passengers and baggage. And in luxury of finish they are far superior to anything that General Motors has been able to accomplish before.

Again, here is something important! In several of the General Motors lines for 1940 there has been added, an extra and special model for those who appreciate the ultra in design attractiveness and luxury. You cannot help being impressed when you see this most modern

of all cars. It is different! It is most appealing.

While many items of cost have recently risen, and added value has been built into the 1940 design, selling prices in general have not been raised; in fact, some models list somewhat below the 1939 range. General Motors subscribes, without reservation, to the prime importance, in the face of the existing emergency, of avoiding unwarranted and unjustifiable price advances. Such will be the policy throughout all its extensive relationships. It will avoid to the utmost everything that promotes instability of the economy.

Thus the value of General Motors cars in 1940 is plain to see. But value is relative. It necessarily involves the price you pay and what that price includes. General Motors prices are clearly shown on "plainview" price tags attached to every General Motors car on exhibit in every General Motors showroom. You see the base price the dealer sets on the car you need. You see all the additional items incident to the transaction. And with each sale there is supplied an itemized invoice showing each item separately and its price as a part of the price you pay.

Thus you see the value. Thus you see the price. The result is bound to be a clearer picture of the greater value in these General Motors cars of 1940.



Alfred P. Sloan
Chairman
GENERAL MOTORS CORPORATION

L A S A L L E

C A D I L L A C

\$100,000,000 Treasure Island

Golden Gate Exposition credited with drawing that much new money to San Francisco and Oakland: early closing focuses attention on 1940 plans.

THE WEST'S \$50,000,000 Golden Gate International Exposition will turn out the lights for the last time Oct. 29—five weeks ahead of the scheduled closing. Confident advance predictions had been that the fair would draw 20,000,000 persons; only 9,000,000 have gone through the gates so far. News of the impending shutdown raised two questions last week: (1) Will the big show run again in 1940? (2) Did West Coast business gain by the 1939 season?

The first question will be answered if and when California business interests, especially the hotels, restaurants, resorts, department stores, transportation and oil companies, raise enough cold cash to maintain the plant during the winter, pay 1940 promotion expenses, repair buildings, and enable Treasure Island to open a new season in glittering style.

With the tourist season over Sept. 1, expenses were cut until a 20,000 daily attendance was the dividing line between profit and loss. When it became apparent that the daily gate was averaging considerably less than that, a weary management decided to call it a season.

On the day the early closing was announced, Nineteen Hundred and Forty Exposition, Inc., filed incorporation papers at Sacramento. Directors include George Creel, liaison between the fair and the Administration in Washington; Marshall Dill, president of the San Francisco Chamber of Commerce; Henry Q. Hawes, vice-president of McCann-Erickson, Inc., advertising agency, San Francisco; Dan E. Landon, manager of the St. Francis hotel, San Francisco, and Ray W. Smith, public relations counsellor and former finance director of the fair. They are attempting to co-ordinate money-raising of all groups pulling for an exposition next year.

Pump-Priming by Fair

West Coast business got down to brass-tacks last week to discover how much bacon the G.G.I.E. has brought home.

For the San Francisco Bay Area, it appeared, the fair had provided some much-needed pump priming. Up to Oct. 1, it had brought at least \$100,000,000 of new money to the city proper and neighboring Metropolitan Oakland. Added to that was some \$35,000,000 spent in construction of Treasure Island and buildings before the show opened.

The 11 Western States benefited considerably from the tourist influx. A 30% to 40% increase in general business over

1938 was noted in many communities along main western highways. G.G.I.E. statisticians claim the West Coast show out-pulled New York's in the Middle West by about three to two.

Up to Oct. 1, some 100,000 out-of-state cars had parked on Treasure Island. Foreign cars entering California this summer reached a figure 10% above 1937, the highest year to date. During the three big tourist months, increases over last year were: June, 27%; July, 40%; August, 50%. Californians, Inc., an outfit that knows all there is to know about tourists, figures the average visitor spends \$5 a day on operation of his car (largely for gasoline and oil) during his entire trip. Hotels and restaurants along main highways (and in San Francisco) figure their business increased from 65% to 75% over 1938. Leading San Francisco hotels have been averaging close to capacity since July 1.

Railroads, which handle about 30% of the travel to California, as against 63% for highway and 7% for bus, give Treasure Island credit for a 40% increase in passenger business this year. Ticket validations in San Francisco were 166% above the summer season of 1938. Southern Pacific, Santa Fe, Union Pacific, Burlington and Western Pacific report the best June, July and August passenger revenues since the long-time decline started in 1922. Tourist-minded business men figure that two-thirds of the visitors

had never been on the Coast before and that, if they behave like the average first-time tourist, they will return within two years.

Business groups whooping it up for a 1940 fair were advancing these arguments last week: (1) Without the show, business which depends on the tourists will take a nose-dive in 1940, subtracting at least \$100,000,000 in purchasing power from the 11 Western States; (2) Cessation of travel to Europe will mean that about 300,000 persons of high purchasing power, who usually go abroad, must travel in the United States; (3) War profits may promote luxury spending and the West should get its share.

How Much for Another Season?

To prepare Treasure Island for another year's run would cost about \$1,600,000; to operate it from May 15 to Sept. 15 would take another \$2,000,000. This would represent, at the present yield per admission, approximately 7,000,000 paying customers, or about 1,750,000 per month.

The fair's financial position, however, is not as rosy as newspapers recently reported, largely because their conclusions were based on an accounting report which included many pre-opening revenues (such as those from exhibit space and advance ticket sales) all of which were spent prior to opening of the show. The exposition company is not figuring such items as operating revenue. With them, total gross operating profit to Sept. 1 would be about \$2,900,000; without them, the figure would run about \$1,265,000, most of which has been paid out on the exposition's obligations.

Since Sept. 1, operating profit has averaged \$350,000 every 15 days. At that rate, about \$1,400,000 would be added to operating profit by Oct. 29. That would mean the total for the 1939 period

WHY WORK?

- If this "Ham 'n' Eggs" or "30 every Thursday" plan will work for people over 50 years of age, it will work for people under 50, won't it?
- And if, as you say, it will pay for itself as it goes along, it will work just as well for a smaller or larger sum, won't it?
- And if it will work on Thursday, it will work on Monday, won't it?
- Well, then whyinhell be selfish and stingy? Why not make the plan apply to everybody, regardless of age, and give 'em \$300 every Monday.
- Of course, everybody will have to quit work to get it, but who objects to quitting his job? It's a lousy job, anyway.

One tactic that is employed in the fight against California's 30-Thursday plan is the stuffing of workers' pay envelopes with slips like this. Retail stores, too, insert slips in packages, warn customers that stores

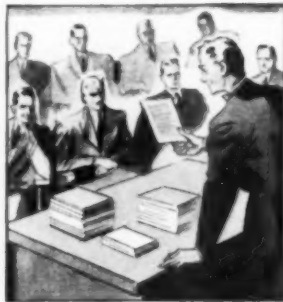
can't accept "retirement life payment warrants", because they're no good when stores have to pay out-of-state bills, and because manufacturers, jobbers, and wholesalers are also refusing to accept them.

Now *everyone* around here is saying

"Let
George
do it!"



George is in constant demand around the office. "Duplicate this, George."—"Duplicate that." And he always delivers the goods! Just last week Williams wanted several thousand dealer folders in two colors. George turned them out . . . just like that!



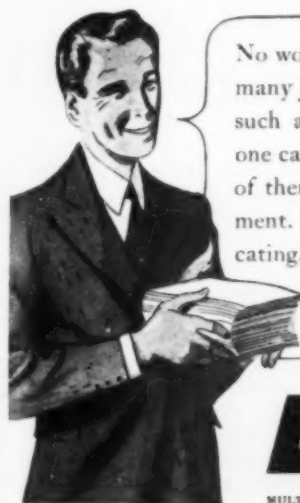
When we needed a lot of material for our sales meeting I showed George the list. Charts, bulletins, catalog pages, maps—about eight different things. "Can you handle some of these?" I asked. "Sure—all of them," said George. And he did!



What's more, George duplicates our letterheads and office and factory forms. You'd be surprised how much money we save in a year's time by "letting George do it." And there's an important convenience angle in doing the jobs right here in the office.



The quality of the work George turns out amazes me. You know how critical Stevens is. When I suggested he let George duplicate the Annual Report, Stevens was dubious. But he was mighty pleased when he saw the finished job. It was a knock-out!



No wonder everybody is giving me so many jobs to do. It's not because I'm such a wonder-worker—almost anyone can turn out good copies and lots of them if he has Multigraph equipment. I've tried a lot of ways of duplicating, but for turning out the kind of work you're really proud of, give me Multigraph!

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ROUTE OF THE
Sunny Santa Fe Trail

should run something like \$2,665,000. About \$3,300,000 of the fair's total \$4,900,000 liabilities consisted of bank loans and debts to corporations. The balance was in bills payable to contractors and suppliers of construction materials. It is understood at least 16% of these obligations had been paid on Sept. 1. Subscribers of some \$6,400,000 originally raised to help finance the enterprise are not likely to get any of their cash back. They will have to be content with whatever increased profits the exposition has brought them.

The 1940's are hoping the federal government or the state will put up about \$3,000,000 to run the show as a business stimulator next year, with the understanding that none of the money would be used to clean up past debts.

U.P. Regains Freight

Railroad employees conduct own survey of why shippers use trucks; follow up with sales drives.

PESSIMISTS insist that you can't expect any merchandising brains in railroading as long as an executive must consult the Interstate Commerce Commission before doing anything. To refute these claims, pointers with pride cite the Union Pacific's spectacular achievements—things like the resort development at Sun Valley, Idaho, and the popularity of its Challenger train. But also the U.P. might be used to prove that a railroad can reach a less sensational but equally important merchandising destination by pedestrian rather than high-powered methods. For example: reclaiming a substantial chunk of freight business it had lost to highway hauling.

About a year ago a freight conductor called the attention of President William N. Jeffers to an unnecessary loss of traffic resulting from inflexibility of schedules, rates, and classifications. The top management decided on a freight traffic survey made by employees instead of by officers. Presently each division had its committee: two freight conductors, a locomotive engineer, a station agent. These men were relieved of their regular duties and were sent out to interview all shippers and receivers on their divisions to determine why they preferred one form of transportation to another.

Small Town Comes into Its Own

The survey got under way in November. It was completed with a meeting at Omaha in April attended by more than 400 men, including off-line as well as on-line traffic officers. Committee members made their reports on interviews with more than 13,000 shippers and receivers. The regular traffic men got facts they had never before encountered.



William N. Jeffers, Union Pacific head, learned about freight traffic from his employees.

But even more important, these findings looked authentic to the rank and file.

Most conspicuous failure reported was in small communities. Because any such town originates no large volume of business, most sales effort had been concentrated on the major cities. But in the aggregate the little towns move a lot of inbound and outbound freight. The highway haulers had been getting more and more of this every year.

With its eyes opened by the survey, the road intensified sales and service effort, put high-speed passenger-car trucks under 100 boxcars, speeded up all movements of local freight. Many local freight trains are today on faster schedules than passenger trains serving the same stations. Many passenger trains now carry in their front ends local freight cars and shippers no longer have to depend on peddler cars hauled by slow freights, covering about 100 miles a day. On lighter runs, local freight may be handled in baggage cars.

Employees Get Busy

Most spectacular result, however, was the stimulation of employees' interest. When their union chairman brought home the word of how much freight was being lost to the U.P. because of a shipper's preference for some incidental aspect of truck service, the employees promptly generated more interest in getting traffic than had ever characterized the traffic department.

Moreover, the employees really got down to work, organizing their own campaigns. They not only solicited shippers but also began urging local merchants to sign a pledge that they would specify all-rail shipment for their purchases.

By the time their campaigns were concluded, traffic department solicitors and workers' groups had brought back to the U.P. 30% of all the freight traffic it had previously lost to the highways.

Can Glass That Looks Like Fleece Help You?

FLEECE-LIKE GLASS that insulates, protects—that has the strength of steel—that bends like rubber—is something you should know about, for it may become important in *your* business.

This glass is called Fiberglas,* and it is so flexible that you can spin it into thread—weave it into cloth—blow it into soft, woolly bats—or form it into tough, resilient webs.

Because it comes in these new forms, yet retains the properties inherent in glass, Fiberglas offers a world of possibilities to industry. Among other things,

it makes available for the first time on a wide scale, the long-recognized value of glass as insulation against heat, cold and electricity.

Electric motors, insulated with Fiberglas, have greater overload capacity and reliability, and are proving equivalent to motors much larger and heavier.

One of the largest markets for this surprising product is insulation for houses. Fiberglas building insulation, sold under the U. S. Gypsum trade name "Red-Top," has already won a large section of this multi-million dollar market.

U.S.G.'s "Red-Top" is a superior insulating material because it is made of *glass*. Fiberglas retains the long-valued qualities of *solid*

glass—fire-safety, strength, cleanliness, durability—and adds many desirable new properties. It has high insulating value, it provides no food for vermin or mildew, no lodging for musty odors. Being *glass*, it cannot rot. The individual fibers cannot absorb moisture.

In addition, Fiberglas as a building insulation, is very light in weight; it retards heat but does not soak it up in appreciable quantities. Fiberglas has "life" and resiliency—it packs snugly into insulated spaces. Neither time nor vibration will cause it to sag or settle—it "stays put."

Whatever your business or the problems it presents, Fiberglas is worth investigating. Write Owens-Corning Fiberglas Corporation, Toledo, Ohio.

OWENS-CORNING

FIBERGLAS

T. M. Reg. U. S. Pat. Office

Insulation for houses. "Red-Top" Insulation—made of Fiberglas—for homes and other buildings comes in soft, woolly forms or in enclosed blankets (shown below)—both of which are easy and economical to install. It is sold by lumber and building material dealers throughout the United States.

* T. M. Reg. U. S. Pat. Off



Glass that protects food. Manufacturers engineer the advantages of Fiberglas into the design of their newest models. Fiberglas-insulated refrigerators afford more uniform temperatures, last longer—and customers get more value.

Glass that keeps bread warm—ice cream cold. Heated bakery trucks that deliver warm bread—dry-ice chilled trucks that keep perishable foods cold and fresh, are insulated with Fiberglas because of its high efficiency, light weight.

Glass that makes batteries last much longer. Leading manufacturers are using Fiberglas retainer mats in their better storage batteries—the most important battery improvement in years. These mats double normal storage battery life.

Glass that contributes to travel comfort. Fiberglas insulation helps to make modern passenger trains and airplanes cooler in summer, warmer in winter, and, of course, being *sound* insulation, it helps to keep them quieter the year around.

Copr. 1939 Owens-Corning Fiberglas Corp.



What Relievers Bought with Blue Stamps¹

Percentage distribution of surplus foods purchased in cities where the Federal Surplus Commodities Corp. has tried out its food stamp plan, before and after fresh vegetables were added to the list.

Commodities	May 16-July 15			July 16-Aug. 26					Estimated National Average
	Rochester	Dayton	Seattle	Rochester	Dayton	Seattle	Birmingham	Shawnee	
Butter.....	33.1%	25.6%	33.5%	30.0%	19.3%	33.2%	15.0%	11.9%	23.4%
Eggs.....	30.7	26.6	33.7	27.3	25.3	29.4	19.7	12.4	24.7
White Flour.....	8.1	9.7	13.7	7.7	6.3	8.2	20.7	25.1	10.1
Graham Flour.....	.07	.1	.7	.07	.1	.4	.16	.26	.06
Corn Meal.....	.5	2.1	1.0	.4	2.0	1.0	6.8	5.9	2.2
Rice.....				1.4	2.6	2.2	3.6	4.4	2.4
Dry Beans.....	2.4	4.0	4.7	1.4	4.3	2.2	6.2	10.3	3.8
Dried Prunes.....	2.0	2.7	3.4	1.1	2.1	2.2	2.7	6.2	2.2
Oranges.....	19.4	22.1	4.3						
Grapefruit.....	3.7	7.1	5.0						
Peaches.....				9.3	12.0	8.6	8.0	11.6	10.3
Pears.....				1.0	2.5	1.0	2.6	.8	1.7
Total Fresh Fruits.....	23.1	29.2	9.3	10.3	14.5	9.6	10.6	12.4	12.0
Cabbage.....				3.7	3.5	1.0	2.8	4.2	3.3
Peas.....				2.3	4.5	1.5	3.7	.8	3.0
Tomatoes.....				10.9	10.8	7.0	5.9	3.6	9.3
Onions.....				3.4	4.8	2.1	2.1	2.5	3.6
Total Fresh Vegetables.....				20.3	23.6	11.6	14.5	11.1	19.2
Total Fresh Fruits and Vegetables.....	23.1	29.2	9.3	30.6	38.1	21.2	25.1	23.5	31.2
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

¹ When eligible families buy orange stamps, good for the purchase of any food product, they receive free blue stamps in an amount equal to one half the orange stamps. These blue stamps are good for the purchase of certain specified surplus foods and are redeemed by the Federal Surplus Commodities Corp. at full value. Eligible families include all those receiving some form of public assistance, except in Shawnee, Okla., where low-income families not on relief also participate.

² First half-month of program only.

³ City distribution weighted by the number in May receiving public assistance in states surrounding these cities. Source: Federal Surplus Commodities Corp.

And What Might Be Bought if Stamp Plan Were National

Commodities	Percentage of total blue stamp purchases in trial cities used for each commodity	Volume that might be moved by using blue stamps nationally (in millions)	Average domestic consumption, 1928-1937 ¹ (in millions)	Ratio that blue stamp volume would bear to average consumption
Butter.....	23.4%	301 lb.	2,191 lb.	13.7%
Eggs.....	24.7	352 doz.	2,602 doz.	13.5
White and Graham Flour				
Wheat Equivalent (in bu.).....	10.16	26 bu.	484 bu.	5.4
Corn Meal				
Corn Equivalent (in bu.).....	2.2	6.6 bu.	49 bu.	13.4
Rice.....	2.4	140 lb.	709 lb.	19.7
Dry Beans.....	3.8	227 lb.	900 lb.	25.2
Dried Prunes.....	2.2	87 lb.	228 lb.	38.6
Fresh Fruits and Vegetables ²	31.2			

¹ Estimates supplied by Bureau of Agricultural Economics; allowance is made for farm to retail market waste.

² The distribution among these obviously depends on the number of commodities on the list and the season of the year. When oranges and grapefruit alone were on the list in 3 cities, they accounted for 24% of the total blue stamp expenditures. When more commodities were added, up to Aug. 26, peaches accounted for 10.3% of the total, tomatoes 9.3%, cabbage, onions and peas from 3% to 3.6% each, and pears 1.7%. Source: Federal Surplus Commodities Corp.

To the National Association of Food Chains, meeting in Chicago this week, problems of how to guard against consumer food-hoarding and how to keep prices at a reasonable level, in response to the President's specific request, were of paramount importance, but principal interest centered in the report delivered by Milo Perkins, president of the Federal Surplus Commodities Corp., on the operations of the food-stamp plan (BW—Aug 19'39, p19).

Prospects of selling an extra 301,000,000 lb. of butter and 352,000,000

doz. eggs are naturally exciting to grocers, even though there is no likelihood that the plan will be extended to all 20,000,000 relievers throughout the country and even though the purchases of 150,000 people in test cities over a few months provide no guarantee of what the national appetite might be. Nevertheless, the idea of paying people to eat more food rather than paying growers to raise less strikes the grocers as sensible, and they will plug for it; because among other things it means sales exceeding the amounts contributed by FSCC.

Dairy Ban Under Fire

Nine states of Midwest represented in program intended to break Eastern barrier.

EVERYBODY IN DAIRYING knows that the big Eastern markets ingeniously and effectively bar dairy products of the Middle West. All interstate trade barriers necessarily wear false whiskers, to keep within constitutional limits. Eastern dairy barriers are ostensibly to protect the health of the citizenry, but they actually exist primarily to hinder the sale of milk products from areas which can produce them more cheaply.

Last week a newly organized Regional Conference on Dairy Problems assembled in Chicago, with sixty delegates from Minnesota, Wisconsin, Iowa, Illinois, Michigan, Indiana, Ohio, Kentucky, and Tennessee. Although it had no powers, it was more than a talkfest. What made it significant was that the Council of State Governments called it, at Indiana's behest. Conferences called by this organization have a record of getting results. Witness last November's conference on liquor barriers (BW—Jul15'39, p34) which promptly deflated one of the prettiest little trade wars in our history.

Unite on Standards Program

The Dairy Problems delegates heard several federal officials tell them that some of their sanitary laws did fall short of perfection, and that they were not yet in a position to say to Eastern states that their milk ought to be admitted. From this the delegates proceeded to the natural conclusion that the Midwestern states had better adopt reasonably uniform standards of quality and inspection.

A definite program was set up. Dairy technicians will meet soon to work out a code approximating that of the U. S. Public Health Service, so certification by any of these states should enable the producer to sell his products for manufacturing purposes in other states.

From previous Council conferences it is possible to prophesy the course of events. The next legislatures of the nine states will doubtless receive identical bills embodying the recommendations. These bills are likely to become law without major amendment. Shortly after the ninth state's law takes effect, look for a general conference to which New York, Pennsylvania, Massachusetts, and other states now inhospitable to Midwestern milk will be invited.

Unless this enterprise strikes the first immovable obstacle since the Council began its anti-trade barrier activities, expect Eastern milk markets, in the not too distant future, to relax their bans against products of the low-cost dairy states.

Truckers Block Foes

Hostile laws averted by effective lobbying, with aid of allied industries.

MOTOR TRUCK haulers have been getting socked so regularly for so many years by unfriendly legislation that they would miss the excitement if their opponents quit swinging. Nevertheless, the truckers are now crowing a bit, for they have had a good year in the state capitals.

Biggest accomplishment of the past season was the successful attack on bills to bar trucks from the highways on weekends and holidays. Such measures generally were introduced at the behest of railway trainmen, ostensibly concerned for the safety of their week-ending brethren. Similar laws were already on the books of a few states. At least a dozen legislatures considered the proposal this year, turned it down without exception. A year or two years ago, at least half of the bills would probably have become law.

Truckers have been organizing to do aggressive lobbying. Moreover, there has been help from forces allied to the industry. Fruehauf Trailer Co., for instance, has assumed leadership in fighting anti-truck bills. It has detached one of its upper-level executives to keep an eye on this work, and has given to several hard-pressed truckers' associations brand-new trailers which, raffled off in some legal manner, provided much-needed thousands of dollars for building fires under legislators.

A Look at the Record

National Highway Users Conference recently issued a legislative trial balance for the sessions, confining it to laws actually passed, repealed, or amended, not including proposed bills which have been defeated. The tabulation shows a definite preponderance of gains over losses:

Motor Fuel Taxes. Increased on all motor fuel, 1. Increased on diesel fuel, 2. Reduced on diesel fuel, 1. Tax-free gas gallonage in fuel tank limited, 1. Net loss, 3.

Registration and License Fees. Increased, 5. Reduced, 2. Unimportant changes, 7. Net loss, 3.

Ports of Entry. Repealed, 1. Beer ports repealed, 1. Law softened, 1. Net gain, 3.

License Reciprocity. Provided or broadened, 10. Net gain, 10.

Size and Weight Limitations. Liberalized, 10. Net gain, 10.

Regulation of Itinerant Truckers. New restrictions, 10. Net gain, 10.

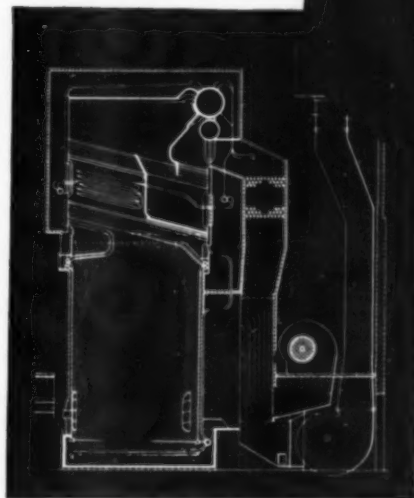
Miscellaneous. Gasoline tank truck gallonage limited, 1. Car-over-cab hauling of truckaways prohibited, 1. Net loss, 2.

Totals. Gains, 33. Losses, 8. Total net gain, 25.

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From West Africa to Akron, this foresight is in evidence, showing up as elsewhere in the choice of steam generating equipment. For after all, those who set modern standards are the first to demand modern standards in everything they buy.

Naturally enough, Firestone has seen fit to select COMBUSTION ENGINEERING steam generating equipment to meet its major requirements. From a mighty unit at Akron, operated at 1400 lb. per sq. in., down to simple HRT type boilers for plantation service, COMBUSTION equipment has satisfied the demands of Firestone's alert and cost-minded management.

Just as Firestone pioneers in rubber production, so C-E sets the standards in modern facilities for low cost steam supply. Whatever your steam demands, you too will find COMBUSTION ENGINEERING ready to plan an installation that will meet your specific requirements, reflecting "leadership" standards in design, construction and performance.

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Tobacco Policies Hit

Five companies named by FTC as violators of Robinson-Patman discrimination law.

EARLY THIS WEEK the Federal Trade Commission announced complaints, alleging violation of the Robinson-Patman Act, against five leaders in America's tobacco industry. The five: P. Lorillard Co., R. J. Reynolds Tobacco Co., Brown & Williamson Tobacco Corp., Larus & Brothers, Inc., and Philip Morris & Co., Ltd. The charge: discrimination in favor of some customers and against other customers in matters of price, services rendered, and services paid for.

That the FTC was sniffing around the tobacco business has been hinted for months. That the FTC must one day move in that direction has been almost a foregone conclusion since June of 1936, when the R-P law went into effect. No trade is handled by purveyors varying more in purchasing power—from the

biggest chains and department stores to the tiniest hole-in-the-wall retailers—and that's the set-up conducive to the price discriminations the law was designed to prevent.

The FTC says that the tobacco companies compensate certain distributors, notably chain stores, for furnishing such services as counter and window displays—without making the payments available to other distributors. To some jobbers, the companies are alleged to have allowed 60 days for payment at 2% discount, while generally granting only 10 days. To vending machine operators, Lorillard and Brown & Williamson in particular are accused of granting special allowances.

"Stabilization" for Trade?

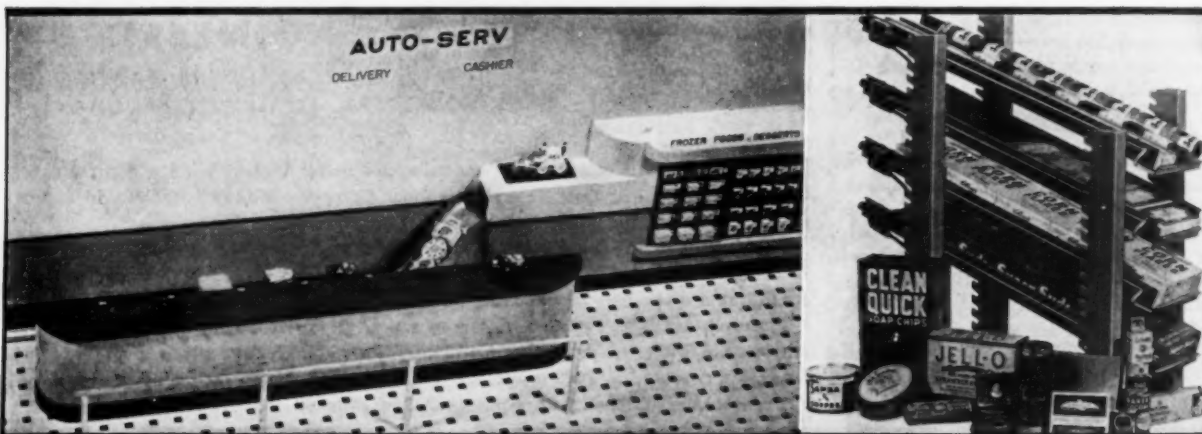
The commission further complains that all the companies, through missionary salesmen, have established such close contact with some retailers as to be able to force others to cut prices. A case in point is described in the Loril-

lard complaint. A Lorillard missionary man is alleged to have taken an order from a dry goods company for a quantity of Old Gold cigarettes and 31 dozen packages of Union Leader tobacco. The commission says that Lorillard, through a jobber, charged the store only for the Old Golds and made no charge for the Union Leader. The result, says the commission, was that the store was able to sell the Old Golds for 11½¢ a package, and other retailers had to follow the price.

The companies have the usual 20 days in which to file an answer. In the meantime independent tobacco dealers are talking jubilantly of stabilization in the trade.

One independent leader expressed the belief this week that the action might eventually, and indirectly, lead manufacturers to set minimum resale prices for cigarettes and other tobacco items under fair trade laws—something retailers haven't been very successful in getting manufacturers to do in the face of chain opposition. Philip Morris and Pall Mall are on fair trade in a few states, but it hasn't meant much. In New York, for instance, Philip Morris is fair-traded at 15¢ a package but special taxes make the minimum price too low to be operative.

Auto-Serv—A New Wrinkle in Self Service Markets



BIG NEWS at the annual conference of the Society for the Advancement of Management in New York last week was a still-untried new method of mechanizing wholesale and retail establishments known as Auto-Serv. As described by its inventor, P. M. Farmer, it's a blood-brother of Kee-doozle, the Memphis grocery where customers shop with electrical keys (*BW—Sept 16 '39, p. 44*), ought to cost anywhere from \$10,000 up to install.

Only samples are displayed in the store. Beside each item is a rack of tickets. The shopper plucks one for

each purchase, takes her stack to the cashier's counter shown in the model at the left.

The cashier puts the tickets into a machine which first produces a sales slip, listing the items and adding up the total bill; then, by electrical controls, releases merchandise from rows of dispensers (right) in a stockroom.

The merchandise falls onto a conveyor belt which brings it to the cashier's desk. While the cashier makes change for a customer, a clerk wraps her moving purchases. The whole operation takes a matter of seconds.

The system makes separate provision for handling merchandise on which shoppers want custom service. Meat, for instance, is cut and weighed at a special counter, taken on a branch conveyor to join other purchases at the cashier's desk.

No arm-chair inventor, P. M. Farmer has a regular job with the American District Telegraph Co., and, as chief engineer of its controlled companies, he supervises the development of complicated protection, detection and alarm devices. Auto-Serv is just a side interest.

Weaving a Web

...so you may ride on air!

CORDS join with rubber... to make more durable tires for your car. Many elaborate and heavy duty machines are required to complete the process.

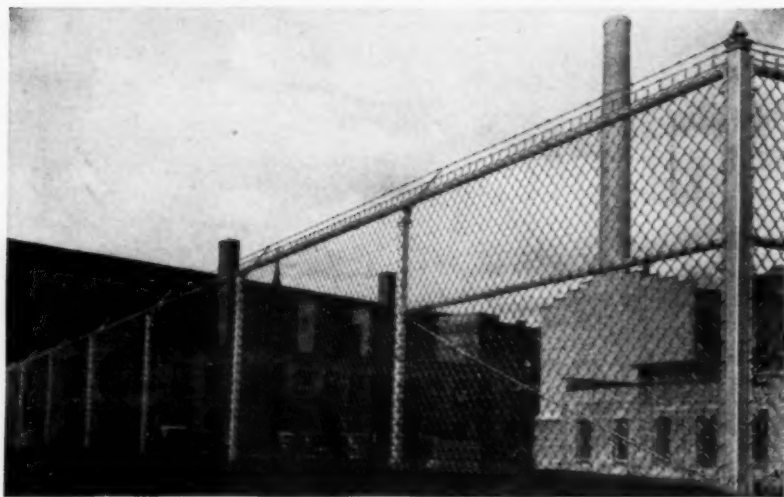
That's why rubber manufacturers... in common with all other industries... benefit from the convenient nearness of Texaco Lubricants at 2279 supply points. Texaco's complete convenient service brings about economies in stock-keeping, cost saving, overhead, machine life and power. Investigate! Write:

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ANCHOR FENCES

Keep Out Saboteurs, Troublemakers, Trespassers

Mail Coupon for Immediate Survey of Your Fence Protection Requirements—Prompt Installation by Nation-Wide Erecting Service

WAR in Europe! Saboteurs, troublemakers, trespassers in this country may cause untold damage to your plants and equipment or interrupt your profitable production. But cautious executives are preparing. They are investigating Anchor Fences—installing complete Anchor Fence protection—or adding sections of Anchor Fence at strategic points to extend the protection of existing fence lines.

Anchor Fence will protect YOUR plant—give you security. Anchor's Nation-wide Erecting Service assures immediate installation. Send for the Anchor Fence Engineer today. He will recommend the proper Anchor Fence for complete protection of your plant and equipment.

Furthermore, with increased production necessitating more indoor space, an Anchor Fence will protect stocks and materials stored outdoors.

And remember: the cost of Anchor Fence protection is little; it will quickly pay for itself by preventing saboteurs or troublemakers from halting profitable production during these troubled times. Mail the coupon now!

SUGGESTION—Since September 1 more orders have been placed for Anchor Fences than during any corresponding period for the last 10 years. Our production and Nation-wide Erecting facilities are still able to fill your order promptly. But we suggest that you act quickly so that you will have adequate fence protection when you need it.

ANCHOR POST FENCE CO.
6670 Eastern Ave., Baltimore, Md.

Have an Anchor Fence Engineer call immediately to survey my plant and recommend the proper fence for complete plant protection.

Name _____ Firm _____

Address _____

(Tell your secretary to send this Special Delivery.)

Goodyear Vindicated

FTC defeated in long fight over Sears contract when Supreme Court refuses review.

THIS WEEK saw the end of one of the most celebrated cases in the whole history of antitrust law enforcement when the U. S. Supreme Court denied review to the Federal Trade Commission of its action against Goodyear Tire & Rubber Co. Thus the decision handed down in February by the Circuit Court of Appeals in Cincinnati—that Goodyear's former contract to supply tires to Sears, Roebuck at cost-plus-6% had not illegally discriminated against other Goodyear customers—became the final word in the case.

The action goes back to 1933, when the FTC first charged that under its cost-plus-6% contract Sears did not pay its proportionate share of the Goodyear plant overhead, but instead got prices which amounted to discriminations against other buyers ranging from 11 to 22%—all in violation of the Clayton Act. Goodyear argued the point, but after long hearings the commission issued a formal cease-and-desist order in March, 1936. Goodyear appealed to the courts.

Wanted Clear-cut Settlement

In June of 1936, and largely because of the Goodyear case, the Robinson-Patman amendment to the Clayton Act became law, and Goodyear itself decided that under the new, more stringent definitions of cost the company could no longer legally hold onto the Sears contract. Thereupon, because the contract had been terminated and the law changed, the Circuit Court decided that it was pointless to pursue the case further and ruled it "no contest."

That satisfied neither Goodyear nor the FTC. Goodyear wanted a clear-cut "not guilty" to remove threat of action for triple damages by customers alleging discrimination. The commission wanted the definition of costs—as painstakingly developed in the celebrated case—to use as precedent for Robinson-Patman action. Hence, the commission appealed that the case be decided on its merits.

Damages Threat Dispelled

The Supreme Court ordered the Circuit Court of Appeals to do so. And now that the high court has refused to review the resulting decision, Goodyear stands vindicated. It no longer faces the danger of damage claims from dealers claiming discrimination under the Clayton Act. But other than that, the victory is a hollow one, for nobody now sees much likelihood of the Sears contract ever coming back to Goodyear. Sears now gets its price—with never a worry about discrimination charges—by the simple expe-

dient of buying only from manufacturers who sell to mass distributors. Thus the irony of the situation is that Sears, once a cordial Goodyear customer, is today one of the Akron firm's main competitors.

For the FTC, the defeat means only the loss of long years of work. Cost-plus contracts have been ruled neither legal nor illegal under the law as it now stands—though the betting would be against their legality.

Frozen Food Entries

R. H. Macy adds line, promises free delivery at "6% less." Bob White tries truck-selling.

FROZEN FOOD SALES ran to something like \$25,000,000 in 1938—a 50% gain over 1937. This year retail outlets have increased maybe 30%. And this week the infant prodigy of the food trade had two new teeth to crow about.

In New York, R. H. Macy & Co., the world's biggest department store and certainly one of the most fecund in merchandising ideas, announced its own private-label line of forty-two frozen food items. Macy's will pack the goods in dry ice and deliver free in the customary Macy delivery zone—a fifty-mile radius from mid-town New York. Further, it promises the customary Macy 6% discount from competitors' prices around town.

Macy's is a law unto itself, and because the big store goes into the frozen food business doesn't mean that others will follow. The first reaction of frozen food executives was against it. They point out that the rip-roaring business that Macy's does in its private-label canned and packaged groceries is almost unique. But the possibilities of emulation are there. Many a department store has eyed the traffic-getting potentialities of a complete grocery department, but hasn't wanted to incur the headaches that go with perishable commodities. Frozen foods might be an answer.

House-to-House Scheme

Second item of news in the field is a scheme being promoted by a newcomer, Bob White Frosted Foods, Inc. The plan is to sell frozen foods from refrigerated trucks traveling house-to-house routes. It's being given a first tryout in Boston.

Bob White neither processes nor sells frozen foods; instead, it will license independents in various communities to use the Bob White name on a royalty basis. To insure quality of products, Bob White will dictate sources of supply. To insure uniformity of peddling methods, Bob White will set truck standards, fix the uniforms of drivers, and will provide sales helps. Licensed companies can either buy direct from the specified packers or can pool orders through Bob White.

"HIRED HANDS"

that DO the JOB!



Find them in MASSACHUSETTS WHERE MANUFACTURING SKILL IS A HERITAGE!



"Skilled workers" is not a classification in Massachusetts, but a tradition. For Massachusetts' workers bring to their tasks an aptness passed down through generations. Their quick fingers and their quick minds assure speed and quality of production. Massachusetts, today, has the lowest ratio of man days lost from strikes of any industrial state in the country.

Massachusetts is proud of its skilled labor and of the quality of the goods its workers produce, but still more is Massachusetts proud of the honorable profit that these goods bring their makers. For this profit

bespeaks the outstanding industrial advantages of the state—its proximity to greatest markets, its low taxes on manufacturing corporations, its unexcelled servicing and transportation. Attractive sites in manufacturing communities, strategically located, are here. This Commission will be pleased to cooperate with you in any investigation you wish to make of the Massachusetts industrial situation.

MASSACHUSETTS EXCELS IN

- ✓ Available skilled labor
- ✓ Proximity to richest markets
- ✓ Available power at reasonable rates
- ✓ Low taxes on manufacturing corporations
- ✓ Complete network of transportation facilities
- ✓ Cooperative attitude of labor and government

THE MASSACHUSETTS DEVELOPMENT
AND INDUSTRIAL COMMISSION
State House, Boston, Mass.

IT'S PROFITABLE TO PRODUCE IN MASSACHUSETTS

Is advertising mere guess-work?

Not at all. In recent years methods of testing copy have been developed which make results far surer.

This agency is constantly testing its copy. We do not advise our clients on a hit or miss basis, but on a basis of experience and proof.

Isn't this the kind of advertising counsel you want?

**Newell-Emmett
COMPANY**
Advertising Counsel
40 EAST 34th ST., NEW YORK



Employee Smiles: 1¢ per week

You don't want long-faced, grumbling employees in your plant. One way to make them happier is to supply them with Formula SBS-II, the modern industrial Skin Cleanser. Formula SBS-II removes grease and grime quickly and easily, helps prevent infection, skin irritation and dermatitis (due to its high bacteria removal power), leaves hands smooth, soft and chapped-free. Costs less than 1¢ a week per worker. Used today in 2867 plants. Write for generous free supply for trial in your plant.

FORMULA SBS-II

The WASHWORD of Industry
SUGAR BEET PRODUCTS COMPANY
300 WALLER STREET - SAGINAW, MICH.

Dentifrice Battle On

Three firms fight it out with campaigns for their new liquid products.

MACHINE GUNS will rattle throughout the country on the night of Oct. 21, when "Gang Busters", radio's No. 1 killer-diller program with an estimated audience of more than 20,000,000, comes back on the air after a summer armistice. For marketing men, the significance is that "Gang Busters", which last year promoted Palmolive Shaving Creams, will now be pushing a reddish liquid called Cue, giant Colgate-Palmolive-Peet's new entrant in the liquid dentifrice derby.

Procter & Gamble, titan in soaps but a stranger in drugs, started the liquid dentifrice business a year ago. To work up a new market for its soapless cleansers, P. & G. developed Teel, and began testing it last fall by tentative newspapers and spot-radio advertising. Teel was pushed nationally in June on two network radio programs and in a string of newspapers. Promotion reached a crescendo on Sept. 8 when Professor Quiz began conducting his weekly battle of wits in its behalf over a Columbia network.

Tests, Then a Campaign

Second in the field was Pepsodent, which reportedly experimented with a liquid for three years but waited to see how Teel fared. When the answer became clear, Pepsodent Liquid Dentifrice got sales tests in half a dozen local markets and now has national distribution backed by a magazine campaign begun last month. To introduce its liquid, Pepsodent offered druggists the first free deal in the company's history. With every 12 bottles purchased, druggists get one free in the 10¢, 25¢ and 50¢ size.

Immediately after Pepsodent came Flodent, made by the Flodent Products Co. It made a successful bow in Roanoke, Virginia, but as yet is backed nationally by no big campaign.

Researchers estimate that Americans spend between 30 and 40 million dollars a year on dentifrices. Four out of ten citizens use tooth powders, but, because powder lasts longer than paste, the powders probably account for no more than 30% of the dollar volume.

What scares the trade is that liquid lasts longer than either paste or powder. Chances are that Pepsodent and Colgate, both of whom have a heavy stake in the paste and powder markets, would just as soon see the liquids come a cropper. But they don't want Procter & Gamble to get the jump in the liquid business that Dr. Lyons did in powders. Dr. Lyons is still the major factor in tooth powders, with an estimated 40% of the market.

Appraising Teel's early success is hard—first, because the trade publishes no sales figures; second, because introduc-

tory promotion has been far heavier than would be profitable over the long pull. One independent research man, while shielding the actual figures of his surveys, says that Teel is "going like a house afire". But in the same breath he says it will be a year or more before the final fate of liquid dentifrices can be written.

It's interesting that thus far Ipana—which ranks with Colgate and Pepsodent in the big three of tooth paste manufacturers—has made no move toward either a powder or a liquid dentifrice.

Miracle-Tuft Clicks

Sales advance despite long-wearing quality of synthetic bristles in new Dr. West brush.

Drug distribution circles have recently buzzed with rumors that sales of Dr. West's Miracle-Tuft toothbrush have been dragging because the synthetic bristles wear too long. Sales statistics, exclusively released by the Weco Products Co., owners of the Dr. West brand, this week give the emphatic lie to the report.

Fourteen months ago when Weco Products got exclusive rights to use Du Pont's new fiber, Extol—first cousin to its widely publicized synthetic silk, Nylon—company executives were pretty much worried about the fact that the laboratory bristles would far outwear any natural hog or boar bristles (BW—Oct 29 '38, p18). They figured, however, that sales to new customers of its Miracle-Tuft brushes would at least compensate for any loss of replacement sales. A reduction in the total volume of all toothbrush sales looked like a logical expectation.

Exceeds Industry Averages

Data just compiled by a leading market research firm show that toothbrush sales in drugstores throughout the United States keep climbing. On a bi-monthly basis, 1939 compares with the big volume year 1937 as follows: January-February, up 2%; March-April, up 2%; May-June, down 4%; July-August, up 1%.

The same market survey shows Weco's sales running far ahead of the industry averages. For the first eight months of 1939, Weco shows an overall increase in toothbrush sales—the synthetic Miracle-Tuft, as well as the natural-bristle Waterproof brand—of 71% over 1938, 32% over 1937.

Weco's management figures that consumers are keeping their synthetic brushes not a great deal longer than they kept their bristle brushes. Several years ago a survey showed that toothbrushes were replaced on the average every 4.88 months. Isolated examples of Miracle-Tuft replacements check out at around 6 months, though the user ordinarily

"BUSINESS GOING ON *As Usual!*"



A Pullman Room Is Your Private Office on Wheels... Where You Can Work as You Travel... and Travel While You Sleep!

Many a business man will tell you he can do more and better work on a Pullman than he can at his office!

Aided by complete privacy and quiet, you can concentrate on your business problems without that unnerving feeling that the phone is about to ring or that someone will come bursting into your office.

And, of course, a Pullman room is far more than just an office on wheels. When you're finished working, it serves as a private lounge, ideal for reading or dining. Or—if it's sleep you crave—try to resist the temptation of that soft bed, in a room whose cool cleanliness is assured by air-conditioning!

Mind you—all this happens *while you're traveling!* And now that more and more swift streamliners are in operation, it's possible to cover 500 and 750 miles overnight with scarcely the loss of a single business hour!

Moreover, there are no "ifs" and "buts" about getting there! It's a long-established fact that rail and Pullman offers the most dependable and safest *all-weather* transportation in the world!

★ ★ ★

Besides the Drawing Room illustrated at the left, Roomettes, Duplex Rooms, Bedrooms and Compartments are also available on many trains. Expensive? When two or more travel together, the Pullman cost is often no more than each would pay for a lower berth accommodation! For full details on the surprisingly low cost of going Pullman, see your ticket agent.

THE PULLMAN COMPANY, CHICAGO, ILLINOIS

A TRAVELING OFFICE!

A "desk" set up by the porter transforms this Pullman Drawing Room into your office on wheels. By day, a full length sofa is provided. And, at night—if desired—this may be made up into a comfortable bed. The section, of course, is quickly made into upper and lower berths. Complete toilet and lavatory facilities are contained in a separate room.

CONVENIENT "Full Night" SLEEPING SERVICE!

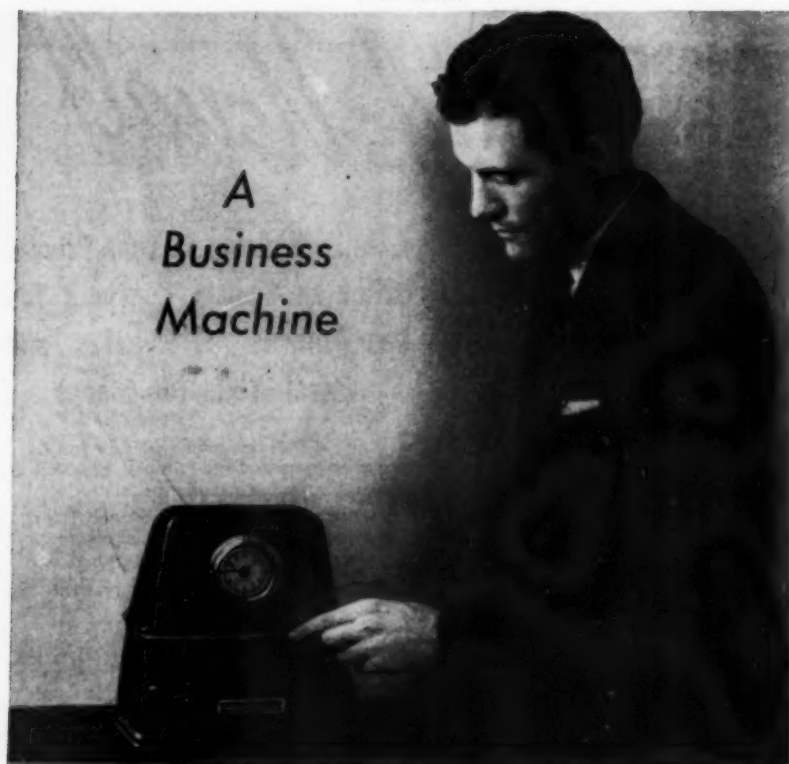


Board your Pullman and retire long before it leaves. Sleep to a reasonable hour, regardless of how early the train arrives! In other words, enjoy a *full night's* sleep—even though the actual trip may take but 5 or 6 hours!

SEND FOR NEW BOOKLET Listing points now served by Pullman's overnight sleeping car service—including those of immediate interest to you. For free copies of "How to Get 9 Hours Sleep on a 6 Hour Trip" write to Dept. BW-3, The Pullman Company, Chicago, Illinois

RAIL AND
Go Pullman

THE COMFORTABLE AND SURE WAY TO GET THERE... WITH ALL THE SPEED THAT'S SAFE!

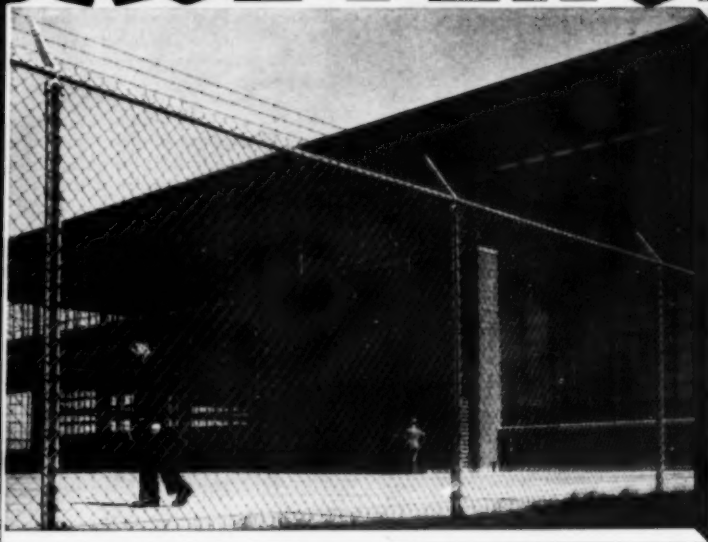


Arnold Genthe

INTERNATIONAL BUSINESS MACHINES CORPORATION
World Headquarters Building, 590 Madison Avenue, New York, N. Y.

PAGE FENCE

Product of Page Steel & Wire Division, American Chain & Cable Company, Inc.



YOU'RE LOOKING AT A WING CHANNEL FENCE POST!

PAGE pioneered in originating and designing this post especially for chain link fence fabric. It provides even greater strength and utility. This post, a PAGE contribution to better protection, is only one of many exclusive advantages.

56 years of fence service is available through one of our 92 Association Members—a locally responsible firm interested in serving you. Secure his name and free literature—write PAGE FENCE ASSOCIATION, Bridgeport, Connecticut.

admits there was a lot of wear left in the brush he discarded.

Particularly interesting is the company's experience with the old Waterproof bristle line of brushes. Weco always bought at least a year ahead on bristles to insure adequate aging. When the synthetic fiber was adopted for use, Weco had a big stock of bristles to dispose of, as well as the finished brushes in stock. So Weco took the glass tube package which had been used for the Waterproof brush and used it for Miracle-Tuft, put Waterproof in a paper carton and reduced its price from 50¢ to 33¢. The entire purpose was to liquidate the old item. Instead, it showed such vitality that with little advertising pressure behind it, it is selling 70% as many units as Miracle-Tuft, almost 50% of Miracle-Tuft dollar volume. All idea of scuttling the Waterproof line has been abandoned.

Small Tractor Derby

I.H.C. adds an entry to the field; good year indicated by industry's available figures.

WITHOUT FANFARE, International Harvester Co. last week announced another small tractor entry in the free-for-all race for the farmer's dollars. The latest model is called the Farmall-B, sells for \$535. It is really a heavier, three-wheeled modification of the four-wheeled Farmall-A (\$515) that came out last July (*BW—Jul 15 '39, p17*). Its added weight and its wheel characteristics fit it particularly for working in row crops and in harder than average soil conditions.

Business has been whooping for makers of small tractors this year, though definite statistics are lacking because of the industry's close-mouthed tradition. Allis-Chalmers still dominates this market, which it pioneered in 1937. That company has been having another fine year and is reported headed for a 15,000-unit total volume in 1939 with its \$495 job.

Figuring Their Production

Observers estimate that International Harvester has put out 5,000 units of Farmall-A since it got into production on a limited scale early in July. Informal statisticians are guessing that until very recently Ford (\$585) had not really got its production lines rolling. Ford shipments in transit are being noted, however; for instance, four carloads on track at Atlanta last week. Nobody knows just how many of Model H (\$595) Deere has sold, but it has been a substantial volume.

Allis-Chalmers had no great problem of stocking dealers this year because it was merely continuing an established manufacturing and distribution program. Consequently, most of its 1939 tractor production to date can probably be

found in the fields, turning autumn stubble under.

Sole figure obtainable from Harvester is that 45% of all its little units thus far shipped are already at work for farmers. This means that little more than 2,000 Farmall-A's are actually in farm use. It also means that less than 3,000 of Harvester's 11,000 U. S. dealers have even a sample on the selling floor. Harvester right now is stepping up production schedules by 20%, which still does not figure out to get its retail sales really going before mid-winter.

A symptom of how slowly Ford's shipments have gone is the scarcity of even floor samples in important distributing centers. Other tractor makers are sobbing because they have not yet been able to get delivery of Ford's new baby for testing, despite spotting of orders through friendly farmers at points which seemed likely to have first crack at the product.

The trade is guessing that, unless economic conditions do an about-face, 1940 will see 65,000-70,000 tractors domestically sold in sizes ranging downward from the Deere Model H. Guessers are allotting 20,000-30,000 to Harvester's A and B Farmalls; 15,000-20,000 to Allis-Chalmers; probably about the same number to Ford; the remainder to the field. But a lot admittedly depends upon farm income prospects during the next few months.

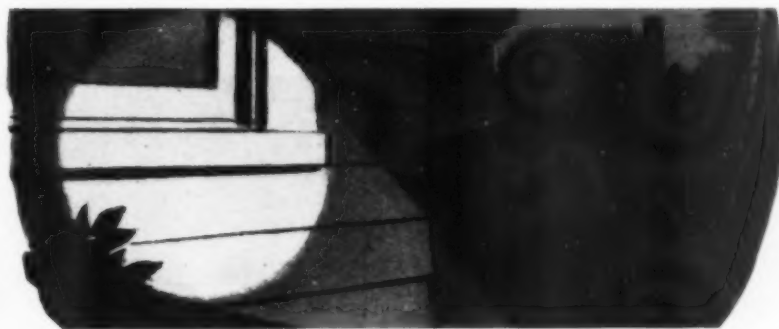
Who's an Itinerant?

Definition is tightened by states trying to protect local business against outsiders.

FIRMS DOING extensive interstate trucking and door-to-door merchandising may have reason for alarm at the growing tendency of state legislatures to protect local businesses with laws for the regulation and taxation of itinerant merchants. According to the National Highway Users Conference, such bills were introduced in 24 state legislatures during 1939 and were passed by California, Iowa, Montana, Wisconsin and Wyoming.

These laws generally define the itinerant merchants as anyone transporting goods for the purpose of sale by himself. Exceptions for persons having established places of business and persons transporting agricultural products produced by themselves, or for their own use, have been made in an attempt to define the laws more closely and prevent obvious injustice.

State protection has taken two major forms: (1) The requirement of surety bonds, ranging from \$250 in California and Iowa, and \$500 in Wyoming, to \$1,000 in Montana and Wisconsin; (2) the levying of annual license fees, which, as in the case of Wisconsin, run up to \$200 per vehicle, making the burden on the merchant almost prohibitive.



Night is the burglar's day

While at nightfall the average man settles down to the comfort and relaxation of his home, burglars are starting their "day's work". Two out of every three home burglaries are committed after sundown, according to statistics of the Federal Bureau of Investigation.

Pistols and padlocks prove poor protection to those who lose at the hands of the burglar. Real security—reimbursement for loss—can be provided and

guaranteed only in adequate insurance coverage.

AMERICAN SURETY and NEW YORK CASUALTY COMPANIES offer in a single Residence Burglary Policy, protection against loss through burglary, robbery, theft, larceny. This broad form gives protection day and night throughout the year, even if premises remain unoccupied for as long as six months.

**PREVENT-
DO NOT
LAMENT
LOSS!**

**AMERICAN SURETY
COMPANY
NEW YORK CASUALTY
COMPANY**

HOME OFFICES: NEW YORK

Both Companies write Fidelity, Forgery and Surety Bonds and Casualty Insurance



*Safeguarding
Business Profits
for almost 50 years*

**EGRY
SYSTEMS**

To Egray goes the honor of introducing every noteworthy advance in business systems designed to give complete control and protection over all transactions, to safeguard profits by eliminating losses caused by mistakes, carelessness, forgetfulness and temptation. To use Egray, therefore, is to enjoy in one business system all the advantages of many. Literature on request. Address Dept. BW-1014.

The EGRAY REGISTER Company, Dayton, Ohio
SALES AGENCIES IN ALL PRINCIPAL CITIES

PRODUCTION

Grease Goes Scientific

System of classification for oil's stepchild is evolved by national lubricating group.

HARDLY ANYONE outside the petroleum industry has heard of the National Lubricating Grease Institute. It is a quiet but potent association embracing the heads of lubricant and grease departments of the big oil companies, and the heads of smaller corporations specializing in these products. Last week the Institute's annual meeting at Chicago promulgated a classification of greases which should eventually supplant present-day consumers' confusion with certainty, such as the motorist feels when he tells the filling station attendant to put in a quart of S.A.E. 30 motor oil.

It Brings a Profit

Grease is a stepchild of the oil industry, largely because it lacks what it takes to catch a top executive's imagination. The automobile which burns a thousand gallons of gasoline a year may get along nicely on a dozen pounds of grease. The factory that burns a tankcar of fuel oil every day may use only a barrel of grease. But grease carries a more acceptable profit margin than gasoline and fuel oil—all the way from the refiner to the retailer. And, in service station circles, it is highly esteemed because it brings the customer in once a month or so, giving the dealer a crack at selling him some anti-freeze and tires and a wash job.

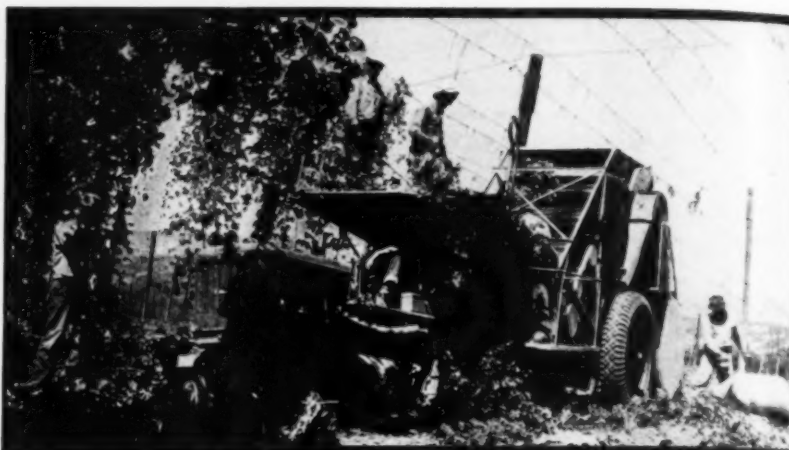
Grease traditionally involves more guesswork than most petroleum products. Of late the consumer, more especially the big industrial user, has been growing aware of this characteristic, and losing patience with it. One big plant recently cut down half a hundred assorted greases that foremen had been requisitioning to two classifications which fit all plant needs and permit buying in large quantities on competitive bids.

Innovation Forges Ahead

This development has been worrying far-sighted grease sellers. Their industry still has growing pains, but science is definitely coming into its refining and compounding. A few grease makers still hold to traditional ways, view with alarm any attempted innovation. Together these stalwarts represent a lot of tonnage, and are an important group in the Grease Institute.

Informed sources view this week's development as a first tactful needling of science into greasing on an industry-wide scale. The level heads know that some of their colleagues would start for

Mechanization Speeds Harvesting

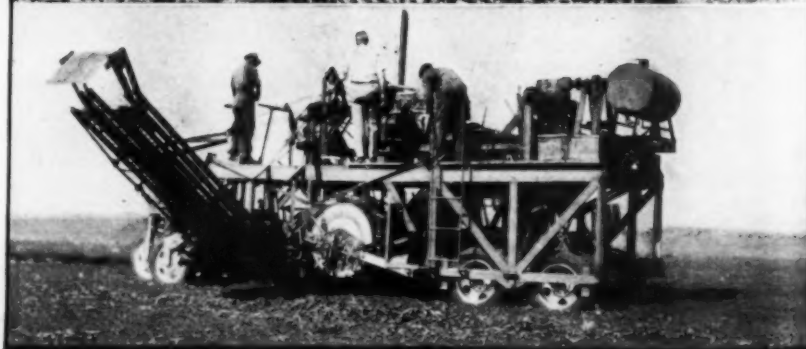
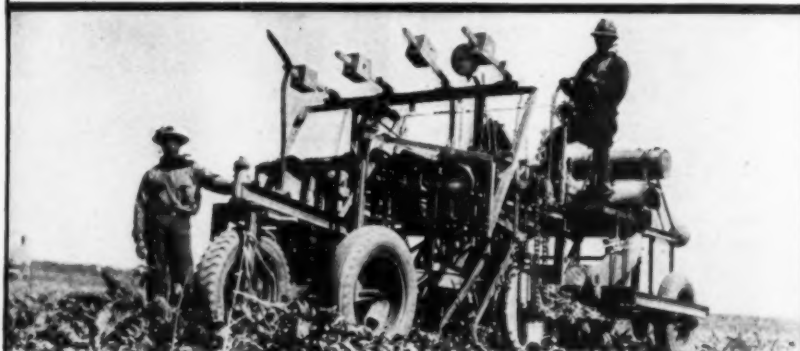


F. Hal Higgins

HOPS AND SUGAR BEETS—two West Coast "social-problem crops," with long histories of labor troubles—received baptisms of mechanization during this year's harvest which foreshadow full mechanical conversion in years to come. In California's Sacramento Valley, the portable mechanical hop picker above, and 15 more like it, built and patented by E. Clemens Horst of San Francisco, picked nearly 2,000,000 lb. of hops at about one-half the cost of hand-picking. And in the San Joaquin River Delta, the four-row sugar beet "topper," and the five-row, 12-ton, diesel-powered "lifter-loader" below, both developed by Delta-Farmer John Zuckerman, worked in tandem to harvest 1,100 acres of beets at the rate of one five-ton truck-load every five minutes. Nearby, on an-

other Delta farm, Roscoe Zuckerman, John's brother, harvested his beets with his own toppers and lifter-loaders, which follow the lines of conventional potato-harvesting equipment.

Significance of the mechanical harvesting lies in the fact, attested by University of California economists, that hops top all farm crops in labor requirements, taking 395 man-hours per acre, and sugar beets require 102 man-hours per acre, of which 45 hours are "stoop labor." Precise figures on hop-labor savings are withheld, but beet-labor savings are definite in that all 45 hours of stoop labor are eliminated. U. of C. engineers are cooperating with U. S. Dept. of Agriculture engineers on a three-year mechanization program, financed by the Beet Sugar Manufacturers' Association.





FOOD FOR THE TABLE — A ROOF OVER THEIR HEADS

Food and shelter for his wife and children — today, tomorrow, next week, next month — that is the first concern of the American wage-earner. It will pay you to help your employees stabilize their income — free themselves from worry about what would happen if their pay stops because of sickness or injury.

John Hancock group insurance will protect your workers' families against loss of income through the wage-earner's death, disability, or non-occupational injury.

Write for full information about John Hancock group insurance plans and learn how other companies have benefited by stabilizing their employees' income.

Address: Department E-10.

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

GUY W. COX, President



Chemists and Chemical Engineers are reshaping business. Everybody who makes products produced by the aid of chemical processes will profit by visiting this great biennial exposition. See the exhibits covering three floors of Grand Central Palace, staged by leading manufacturers, featuring new materials and processes that may vitally affect your products, your production methods and your markets. Don't miss this opportunity to

SEE THIS EXPOSITION

Management, International Exposition Co.



Prelude to Power...

Mallory Metals play a vital part in the prelude to power. To the huge collector rings of commutators a Mallory Metal has given greater hardness and conductivity. To disconnecting switch blades, a Mallory Contact alloy has contributed substantial savings in precious metal and greater design flexibility. To giant circuit breakers, other Mallory alloys have given greater interrupting capacity and higher opening speeds on short circuits.

Mallory's work in the field of "hardened copper" has been so extensive and resultful that the breadth of its application to industry almost defies enumeration. If you have any such problems... we invite you to consult Mallory metallurgists freely.

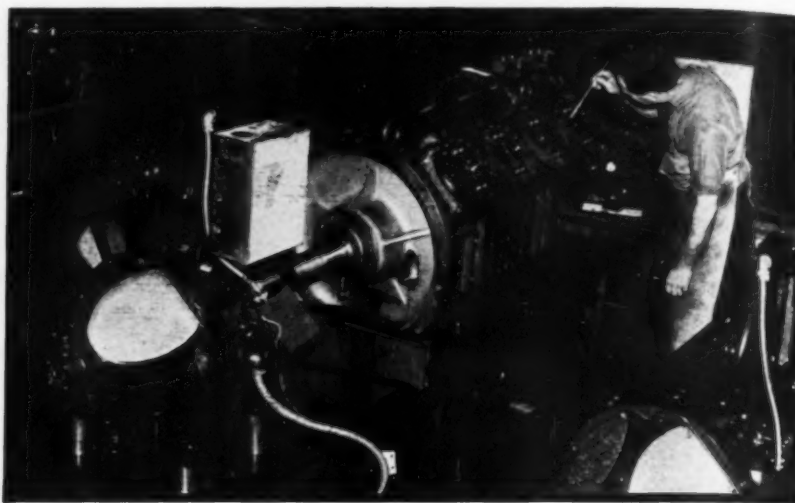
P. R. MALLORY & CO., Inc.
INDIANAPOLIS INDIANA

Cable Address—Palmallo

P. R. MALLORY & CO. INC.
MALLORY

PARTS FOR RADIO, ELECTRICAL,
AUTOMOTIVE AND INDUSTRIAL FIELDS

Sixteen-Cylinder Compressor



It looks like an 8-cylinder gas engine, but it's the new Westinghouse 16-cylinder, 100-ton, air-conditioning compressor. Each of its 8 cylinder-like members provides space for 2 cylinders. Since the unit is hermetically sealed and the inbuilt 100-hp.

driving motor cooled by refrigerating gas on its way back from the evaporator to the compressor, it can be tucked into any 21 sq. ft. of floor space, without regard for cross ventilation normally required to dispel motor heat.

the nearest cover if any such program were undertaken in more than the easiest of stages. So they are edging in the direction of progress.

The Institute announced that its new classification of greases is based on their consistency, and comes after several years of cooperative work with other technical groups such as the American Society for Testing Materials and the Society of Automotive Engineers. The classifications will be copyrighted and published soon. They run from 00 to 6. The definitions have no reference to quality. Thus a No. 5 grease will not mean one that is four points worse than the No. 1. The number refers to the chemical characteristics of a particular class; within that class the different qualities will pursue their usual rivalry. To afford time to make the necessary adjustments, the classifications are to become effective not later than March 1, 1941.

Out of Realm of "Mystery"

Best guess is that within a few years greases will have emerged from the "mystery" phase into one of precise definitions befitting their present technical development. The user will still have his choice among assorted brands for which sovereign virtues will be claimed. But he can order by number and be pretty certain that, whatever the brand, the chemical consistency of the grease will fit the needs of his machine tool gearbox or of his spring shackle, as listed in the Institute's official recommendations.

Plastic Gun Stocks

Molded material in place of traditional walnut tried by at least two manufacturers.

WITH THE FALL hunting season just getting into stride in the United States, and the war in Europe, particular interest surrounds the news that gun stocks are being made of molded plastics instead of traditional walnut. True, the stocks are attached to shotguns, rather than to military rifles; but the principles are being established, and accordingly the rest can be only a matter of time and tooling.

At least two arms manufacturers have been working independently on the development: J. Stevens Arms Co., Chicopee Falls, Mass., and O. F. Mossberg & Sons, Inc., New Haven, Conn. Stevens stocks are being molded by Specialty Insulation Mfg. Co., Hoosick Falls, N. Y., out of Tenite, a cellulose acetate product of Tennessee Eastman Corp., Kingsport, Tenn. Mossberg stocks are being molded by Consolidated Molded Products Co., Scranton, Pa., out of Lunarith, a cellulose acetate product of Celluloid Corp., New York. Although manufacturing details may differ, both gun stocks emerge from their molds in one piece and with the smooth, grained surface effect of fine walnut with a hand-rubbed oil finish. Since the thermal conductivity of the plastics is not very far different from that of walnut, the

On which consists of plastic blocks repeated records but the fracture was fired. Since formerly taken month crack

Cutti

Wal tough of-the special herme before drying of tim is sele be stu streng

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First

OCTOBER Beach Annual Institut at 342 Institut the me Manufac tion Ma ter havi but amb experts tions, r pharmac of hard

new stocks feel much the same as wood.

One of the tests at the Stevens plant which led up to the adoption of plastics consisted in clamping a shotgun with plastic stock in a shooting jack, with the shoulder piece resting against a solid block. The gun was loaded and fired repeatedly. The stock received the full recoil of the gun. A vulcanite butt plate crumbled under the constant impacts; but the plastic stock showed neither fracture nor distortion. Gun after gun was tried; thousands of rounds were fired.

Since the plastic stocks stood up uniformly on the shooting jack, they were taken through all kinds of weather in months of field tests with no sign of crack or split.

Cutting Time and Trouble

Walnut stocks have always been a tough manufacturing problem. Since run-of-the-mill lumber does not satisfy so specialized an application, expert timbermen usually select particular trees before they are logged and milled. Yard-drying and kiln-drying both take a lot of time. Finally when a particular piece is selected for shaping, its grain must be studied and followed for maximum strength in the stock.

Molding the stocks out of plastics sidesteps all this. A shot of molding powder and a "cycle" in a hydraulic press, and the job is done, even to the "checkering" on the stock which has always been an extra operation. Although the weight of plastics is higher than that of wood, the heft and the balance of the new shotguns are unchanged; a metal core slips into the mold, producing a scientifically hollowed stock.

Sporting and military rifles will almost certainly follow suit. Meanwhile, as Tennessee Eastman and Celluloid continued to work with their respective cellulose acetates, the Bakelite Corp., New York, is doing quite a bit of research on the application of its phenolic Bakelite plastic to gun stocks for a couple of other arms manufacturers. To top it all off, there is a pretty reliable report that Germany has already equipped some of her rifles with plastic stocks.

First Annual Meeting

OCTOBER 19-20, Chicago's Edgewater Beach Hotel will be host to the First Annual Meeting of the new Packaging Institute, Inc., whose headquarters are at 342 Madison Ave., New York. The Institute was created last spring through the merger of Packaging Machinery Manufacturers Association and Production Manufacturers Association, the latter having been an ambiguously named but ambitious group of active packaging experts employed by various corporations, ranging from manufacturers of pharmaceuticals and canlies to bottlers of hard liquor.

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NEW PRODUCTS

Variocoupled Camera

EARLY next month, Electronic Products Mfg. Corp., Ann Arbor, Mich., will bring out the new all-American Vokar Camera, featuring "variocoupled exposure control" which automatically sets



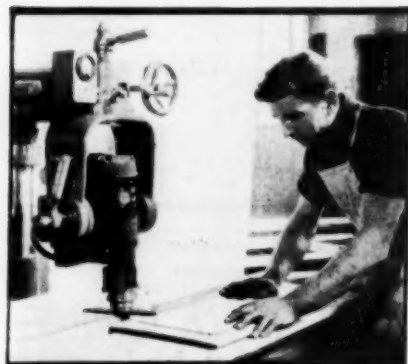
the diaphragm in proper relation to shutter speed. Though its size is only $1\frac{1}{2} \times 3 \times 5\frac{1}{2}$ in. when closed, the new outfit will make $2\frac{1}{2} \times 2\frac{1}{2}$ -in. negatives.

Portable Price-Marker

HAVING developed power-driven price-marking apparatus for large establishments, Monarch Marking System Co., Dayton, O., now comes to the aid of small and medium stores with its new hand-operated Pathfinder Price Marker which will print string tags, sew-on tags, pin tickets, fold-over tickets, gummed labels, etc., at a speed of 100 per minute. When price changes are indicated, another hand-operated machine will chop off the old price and print the new.

Metered Radial Saw

LIKE other radial saws, the new Walker-Turner Radial Saw will cut miters, grooves, rabbets, and tenons, and will even do routing and shaping. As a still



newer feature, its manufacturer, Walker-Turner Co., Plainfield, N. J., includes a magnetic circuit breaker switch which permits the electric motor to work at full load capacity yet cuts off power on a sustained overload. A voltmeter indicates whether sufficient line voltage is

being supplied—particularly useful when the radial is being operated on construction jobs, far out on a long power line.

Delayed Action Switch

BY RESTRICTING the flow of mercury through a small orifice in the new Konec-tor Delayed Action Mercury Switch of General Electric Co., Hoboken, N. J., the small glass unit will delay electrical circuit opening by any specified time interval from $\frac{1}{2}$ to 15 seconds, and circuit closing from $\frac{1}{2}$ to 10 seconds.

Electric Presser-Iron

WEIGHING only 10 oz., and thus light enough for traveling, the DeLuxe Em-



pire Electric Presser-Iron will press out various items in the manner of any small iron. Empire Electric Co., Cincinnati, the maker, stresses an additional feature, a heated longitudinal slit 4-in. deep which will put creases back in trousers and take creases out of neckties.

Charcoal Paint

CHARRING is probably the oldest method of preserving wood known to man. Charred objects of ancient civilizations have come down to us perfectly preserved. Thus, the chemists of Carbon Chemical Products, Inc., Fort Atkinson, Wis., decided to grind hard-wood charcoal to an impalpable powder, mix it with a paint vehicle, and apply it with brush or spray to wood, concrete, brick, tile, paper roofing, canvas, metals, and what-have-you, thus extending the preservative qualities of charred wood to other materials. Resultant finish will be known as Kar-Bon-Seal, for use as a primer for other paints (except white, cream, and citrus) or as a complete two-coat finish which is reported to be resistant to fire, common acids, moisture, fungi, salt, and termites. Kar-Bon-Sealuminum, another new product, has the same qualities as Kar-Bon-Seal, but dries to a silvery finish, particularly useful as a heat reflector or deflector.

Moisture Detector

PUSH the two needle points of the Delmhorst Moisture Detector into plaster, concrete, brick, wood, or any other surface which is going to be painted, and the battery-operated instrument will de-

tect the amount of surface and subsurface moisture. Colloid Equipment Co., 50 Church St., New York, also recommends its instrument for testing foundry molds and locating leaks in pipes buried in walls and floors.

Windshield Spotlight

ORIGINALLY INTRODUCED several years ago, the Clymer Windshield Spotlight has been redesigned for installation right



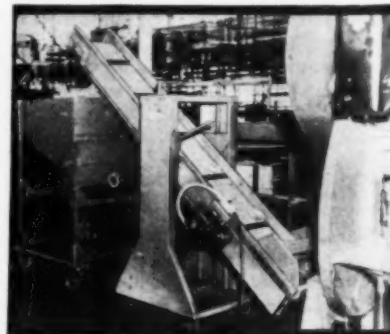
through the windshields of modern streamlined cars. Clymer Spotlight Co., 222 W. Pico St., Los Angeles, furnishes a special tool which makes the glass-cutting job a matter of three minutes. Removal of an outside ring makes the spotlight available as a trouble lamp.

Select-A-Lite

EVERY electric light in office or home can be made to do a three-way job with the Select-A-Lite Bulb, developed by Jewel Incandescent Lamp Co., 900 Passaic Ave., E. Newark, N. J. Each bulb has two filaments. At the turn of an inbuilt switch, the 40-watt filament lights up; another turn, the 60-watt filament lights; still another turn, and both filaments give a 100-watt light. The company is already "six weeks behind orders."

Adjustable "Eleveyor"

WHEN PRODUCTION is too intermittent for permanent conveyerization, the Eleveyor



of Mechanical Handling Systems, Inc., 4600 Nancy Ave., Detroit, may be wheeled in and adjusted quickly to the optimum angle for serving a single machine or a pair of machines. A cleated conveyor belt will carry manufactured parts into tote boxes set at a convenient height for the next machine's operation or right to the next machine itself.

LABOR & MANAGEMENT

INDUSTRIAL RELATIONS : PERSONNEL : EXECUTIVE POLICY

New Wagner Tests

Supreme Court review is granted in four important cases involving C.I.O. and A.F.L.

"WHAT WILL HAPPEN to the Wagner Act and the National Labor Relations Board?" That hardy perennial of national debates was blooming again this week. Dodging brickbats from both A.F.L. and C.I.O., the NLRB was continuing to do business at its Washington stand, and was more interested in Supreme Court decisions than anything else, at least for the time being. The board felt, as many neutral observers did, that the Wagner Act's best chances for permanence lay in continued approval by the courts.

The Supreme Court did not grant reviews this week in all of the labor cases which have been appealed to it, and other cases of national importance—such as those involving Republic Steel and Ford—have not yet worked their way through the lower courts. But the Supreme Court did announce that it would take up the following:

(1) The A.F.L. appeal from an NLRB decision which certified a C.I.O. union as bargaining agent for all Pacific Coast longshoremen. A.F.L. contends that each employer-employee unit should decide for itself. The C.I.O. undoubtedly had a coastwide majority, but if separate units were chosen the A.F.L. might outvote its opponents in one or two ports. The demand for small-unit certification is the heart of the A.F.L. attack on the NLRB; so the Supreme Court decision will be very important.

Hope to Obviate Confusion

(2) The NLRB appeal from a lower-court ruling which set aside an order for employee elections in the Consumers Power Co. at Jackson, Mich. In this case there was one election, which gave C.I.O. 1,164, A.F.L. 1,072, and neither, 506. The board ordered another vote, for or against the highest union. But the Sixth Circuit Court pointed out that if a majority voted against C.I.O. the second time, the employees would have no union, although they clearly wanted one. Labor relations students have been hoping the Supreme Court would take this one up, because confusion in future close decisions is otherwise certain.

(3) The Fifth Circuit Court decision setting aside an NLRB order against Waterman Steamship Corp. of Mobile Ala., to reinstate a group of employees with back pay. The employees were let out after shifting from A.F.L. to C.I.O.,

which makes this another important test between the two labor rivals.

(4) The NLRB order, upheld in lower courts, that National Licorice Co. of Brooklyn must cease dominating an employee group and abrogate a labor contract with it. In this case the C.I.O. and A.F.L. were not opposed.

Three other appeals were taken to the Supreme Court, by Cudahy Packing Co., Louisville Refining Co., and Crowe Coal Co. (Henry County, Mo.) from NLRB decisions, but the court declined to review them.

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Unions Map Expansion Drives

A.F.L. and C.I.O. leaders irked by Roosevelt peace appeal, but conferences are expected. Both camps attack NLRB in their national conventions.

A.F.L. AND C.I.O. leaders like Mr. Roosevelt, but they do not like his appeal for peace on the labor front; both camps are sore at the National Labor Relations Board and both think that now is the time to organize more union members.

This was made evident at the big labor conventions this week. Sharp words were used by John L. Lewis as he told the C.I.O. meeting in San Francisco that the labor board was going too far with "attempts to conciliate the enemies of organized labor." Until recently, the NLRB has been sinless in the eyes of C.I.O., but the Lewis faction now is incensed at what it believes to be unfair decisions in favor of A.F.L. In Cincinnati, the A.F.L. convention again rapped the board as being too favorable to C.I.O., and renewed its demand for amendments to guarantee craft-union certifications.

Neutral observers this week spotted

these probable trends for the near future, to some of which an "if" must be affixed:

(1) Peace conferences will be resumed between A.F.L. and C.I.O. some time after the conventions close, because the President says that they "must" be. Despite peace hopes of the rank and file, the big shots on both sides are not of a mind to compromise, and are going through only the formalities of agreeing to "explore the matter fully." If Mr. Roosevelt swings the club of public opinion, timed with some "partial emergency", the labor leaders may find a way of saving face and graciously giving in to preserve national unity. Otherwise, no dice.

(2) A period of renewed belligerence on the labor-management front seems to be at hand. Lewis said this week that C.I.O. had 4,000,000 members, and that he would come back to San Francisco "five years hence with 10,000,000." The

C.I.O. is going out to ask recognition in places where it has not yet got contracts (such as meat packing, southern textiles, small-town construction), and the "union shop" where its contracts are up for renewal. The A.F.L. strategy is to try to force craft-union acceptance on the labor board, and to attack the C.I.O. on all fronts, even where the industrial unions have a strong foothold. An example is the auto industry, where A.F.L. is asking a general wage raise despite the strongly pro-C.I.O. employee elections of recent weeks.

(3) Officially, the A.F.L. will remain politically non-partisan, but the rank and file of both it and C.I.O., judging by convention enthusiasm, back Mr. Roosevelt and his neutrality plans. The strong C.I.O. expressions of Administration support represent a victory for Sidney Hillman, over some advisers who would have had Lewis come out with a warning to the New Deal to play ball with C.I.O. more wholeheartedly.

Tangled in Internal Rows

Beyond these major decisions, the labor federations still had numerous internal problems as the conventions continued. In the A.F.L., the strong, well-oiled printers' union had been shut out of the convention because it refused to pay a special assessment to the anti-C.I.O. war chest. The brewery workers had tossed a hot potato into the executive council's lap in the form of a court order denying the A.F.L.'s right to give jurisdiction over beer-truck drivers to the powerful Brotherhood of Teamsters. The court injunction, if sustained, will cut the executive council out of its powerful position as arbitrator of jurisdictional disputes and confine it to political lobbying.

An internal C.I.O. dispute which has been smoldering beneath the surface did not flare up in early convention sessions. Nevertheless, the issue is drawn between those who would bar Communists from membership and those who would enact a constitutional clause opening the doors to anyone "regardless of political affiliation". Hallway discussion was spurred by the Communist "purge" action of the American Labor Party in New York.

After Five Years' Campaigning

C.I.O. got credit this week for smart choice of a convention city. San Francisco is the place where Lewis and his industrial-union supporters were casually shrugged off by the craft-union majority in the 1935 A.F.L. convention. This year, C.I.O. used the point to good advantage, pointing out that in five years it had built up a labor federation that is comparable to the 59-year-old A.F.L.

The youth and drive of the convention delegates impressed observers, too. Though the older heads knew that a "conservative swing" had been under



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way for more than a year, and that organized labor faced serious threats to its continued freedom, the convention boomed along joyously.

Lewis did a slick master-of-ceremonies act when he declared that the convention keynote was neither war nor unemployment, neither labor unity nor politics, but expansion of the C.I.O. Nevertheless, in San Francisco as in Cincinnati, there was a general realization that the labor leaders would find it necessary to go to work on those glossed-over matters, and that the immediate future was not too rosy.

Unquiet Waterfront

Resignation of federal arbitrator precipitates latest West Coast maritime crisis.

C.I.O. OFFICIALS and convention delegates in San Francisco this week got a first hand view of a West Coast waterfront crisis. The always turbulent maritime union situation (*BW—Sep 9 '39, p.50*) was thrown into complete turmoil Monday when Wayne L. Morse, federal arbitrator, resigned suddenly in the face of the refusal of Harry Bridges' Longshoremen's Union to abide by his latest ruling. Employers were bewildered.

Last week the dock checkers, a Bridges outfit, picketed the Panama Pacific Line's San Francisco pier, where the S. S. City of Newport is tied up. Longshoremen refused to pass the picket lines to unload.

The Waterfront Employers Association asked Arbitrator Morse whether the action of the longshoremen was a contract violation, and he ruled that it was. He held that the picket line was not legitimate because it involved collusion between district officials of the longshoremen and the dock checkers.

When the longshoremen still refused to unload the ship, Morse resigned, saying, "I am much more concerned in protecting principles of sound arbitration than I am in the interests of any one case."

Hit Arbitration Policy

Longshoremen's officials declared, "Arbitration never was the right way to solve labor disputes, and it's too expensive." As the employers see it, this means scrapping of the entire policy of arbitration which has been the basis of waterfront labor relations on the coast since 1934.

One surmise was that Bridges was showing off to impress his C.I.O. superiors, but nobody was ready to predict the next move.

Bright spot in the picture was the signing of a one-year contract this week between offshore employers and Harry Lundeborg's sailors, and a two-year contract with the firemen.

Interns for Business

Problem of how to get experience is solved for 22 young women in New York.

THIS WEEK 22 young women, recent college graduates, entered New York's working world as a result of the placement activities of the Graduate Center, 22 East 38th street. The Center is headed by Miss Alice Rice Cook, expert in personal appraisal and director of New York University's Self-Evaluation Laboratory.

Originally sponsored by the New York City Branch of the American Association of University Women, the Center has been working on the problem of how to bridge the gap between the A.B. and the office. Its solution is the Business Internship Plan, whereby employers get the graduates' services free for two months and the interns get actual experience.

Interns have been placed in publishing, personnel work, research, foreign trade and advertising. Employers of former interns include Bloomingdale's, Conde-Nast Inc., General Motors, Mademoiselle, Standard Oil, and the State Labor Board.

They Manage to Hold On

Since the plan was initiated (in the early summer of 1938) 53 young women from 22 colleges, chiefly Eastern, have participated with a record of 85% for permanent placements. Although the Graduate Center, emphasizing experience, does not necessarily put interns where they will be in line for paying jobs, 60% of them have been retained in the offices where they interned.

Average beginning salary for former interns is \$23.50 a week. Earlier interns have received raises indicating an average increase of \$5 in less than a year of actual employment.

The Graduate Center is unique in that it is concerned with the placement of liberal arts graduates who have no professional training. In a two weeks period preceding their placement as interns, the graduates are trained by experts in speech, posture, occupational adjustment and office techniques.

Graduates must be highly recommended and carefully interviewed before being accepted by the Center. They pay \$100 for training and placement.

Business leaders from many fields have been added to the Center's advisory council. Calls for more graduates are coming in from satisfied employers, and inquiries are being received from employer groups in other cities.

With one group of interns just placed, plans are already being made for another to go into action Nov. 1. For these graduates, at least, has been found an answer to the question, "How do I get experience?"

5 STEPS in PRACTICAL Industrial Relations

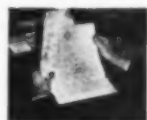
Well-intentioned "good-will" programs often fail because workers don't understand them. How much easier and more effective to start with things in the plant or office closer to their everyday life!

Already successfully used by others, the following practical suggestions may be valuable to you. They are the kind of personal, workday things that may bring a warm response from your people—that encourage a man to say "I've got a good job with a good company!"



1 Men working under high temperatures get quick relief from fatigue and heat cramps by eating 4 to 6 sodium chloride tablets a day. A handy dispenser near each water cooler does the trick.

2 "Good Housekeeping" in plants: Cleaning oil and grease from floors, removing dust from fixtures and beams, checking light bulbs, and painting walls brighten spirits and improve efficiency.



3 Many plants have successfully organized Employee Safety Committees among workers to make safety recommendations for their departments. Such sharing of responsibility creates mutual respect and good will.

4 Plant and office improvements should be carefully interpreted to employees by letters, bulletins or talks. By thus taking them into your confidence, you build solidly for increased co-operation.



5 Adequate, sanitary washrooms with plenty of basins, hot water, soap and fresh individual Scott Tissue Towels remind workers daily of your interest in their comfort and well-being.

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Jobless to Open Mill

Hosiery workers inspired by success of cooperatives begun by Episcopal rector.

UNEMPLOYED PHILADELPHIA hosiery workers recently decided to create their own jobs. Encouraged by success of five cooperative textile mills organized by Rev. D. C. Colony, rector of St. Luke's Episcopal Church, Philadelphia, 570 former employees of Hancock Knitting Mills planned to go into business for themselves. By issuing stock at \$150 a share, two shares to each man and one to each woman, they plan to buy a plant from the Ninth Bank and Trust Co., which took over when Interstate Hosiery Co. closed down Sept. 1. The bank has already agreed to assist in financing.

The Colony mills (three hosiery, one carpet, one towel) are all located in Philadelphia. About 300 employees bought into the projects by putting up \$200 or \$300 each. A \$15,000 RFC loan was secured for the first mill.

All profits are shared equally. Each mill has union wages and hours except the carpet mill, where hours are slightly better than union requirements. Hosiery workers are union members as individuals, but have no dealings with the union as corporations. Only the towel workers lacked previous experience in their field. Full shop discipline prevails. Managers, elected for one year, have the power to fire on the spot.

Sales are made either by Mr. Colony's personal efforts or through hosiery and towel "clubs" organized in local Episcopal churches. Each mill is autonomous, but a cooperative council will be set up if Mr. Colony's hopes for a new mill, a farm and housing project, materialize.

Unemployment was acute in Mr. Colony's neighborhood, and it was clearly

to his interest to do something about it. Some observers regard his activities as evidence of an eagerness, shown by many denominations, to prove that economic amelioration may be inspired by other than Marxist sources.

Delta Cooperative Farm, Hillhouse, Miss., owes its origin and support to religious interest in the sharecropper problem. Methodists want to use some of their 1,800 rural missionaries for organizing demonstration farms and cooperative marketing. Quakers, through Friends Service, Inc., operate a rehabilitation project, including a sweater mill, in Fayette County, Pa. They attempt to aid bituminous coal miners through subsistence farming, the introduction of new industries, and training in new skills.

There is no indication that the churches plan to go into business except in local emergencies. As Mr. Colony says, "In normal times, you can hardly get a man interested in putting up \$200 to join a cooperative when he can get a job by walking around the corner."

The Sheboygan Idea

Labor and industry aided by community cooperation plan inaugurated last year.

MORE EVIDENCE that community cooperation between business, labor, and civic leaders can alleviate economic depression came from Sheboygan, Wis. this week. Checking up on the "Sheboygan Idea" which was started last year (*BW—Dec 31'38, p14*), the sponsors report progress from several angles.

Three agencies are linked in the Wisconsin self-improvement plan: a labor peace board, a new industries council, and a WPA survey project which is compiling a 10-year economic and occupa-

tional history of all local workers. These agencies sum up their efforts as follows:

(1) In labor relations, Sheboygan has enjoyed a peaceful year. The peace board, with representatives from business, labor, and the public, has helped settle four disputes. It is hopeful of wider acceptance as a mediator as it gains the confidence of some labor groups which were antagonistic at first.

Business Newcomers

(2) The new industries campaign has brought three new firms to Sheboygan, with about 250 men on their payrolls. The council does not go out and solicit new industries, but offers to help budding businesses with loans, factory sites, and expert advice, if Sheboygan is selected as a home.

(3) The work project has interviewed all workers and unemployed in Sheboygan, and now is studying its data preparatory to issuing recommendations. Local schools will be called upon to cooperate in offering occupational training to make Sheboygan's labor resources fit its opportunities more exactly.

All in all, the Wisconsin furniture and toy-making center feels that it has made gains over last year, points to a drop in unemployment figures from 2,957 to 2,332 as partial evidence. Intangible benefits are seen in an increased feeling of civic responsibility and cooperation, and the "Sheboygan Idea" will be pushed as a permanent thing.

NLRB Inquiry Drags

Both industry and labor are slow in replying to queries of House investigators.

BUSINESS FIRMS and labor organizations are lagging in returning answers to the questionnaires sent them by the special committee of the House of Representatives which is investigating the National Labor Relations Board, a check discloses.

Orders from the heads of the American Federation of Labor and the Congress of Industrial Organizations requiring all local unions to submit their replies to headquarters in Washington, from which they will be sent to the committee, apparently explain the slow returns from those groups. Both organizations have been busy with conventions.

The committee staff appears somewhat aroused over the union orders but is powerless to do anything about them. Edmund M. Toland, counsel for the committee, reports that approximately 3,500 replies to the 60,000 questionnaires have been received thus far. The majority of these are from business men, but replies from industry are still far below expectations.

None of the answers will be made public until the open hearings begin. All



Rev. David C. Colony, rector of St. Luke's Episcopal Church in Philadelphia's textile section, solves the unemployment problem in his neigh-

borhood the cooperative way. He has already organized five cooperative textile mills. Hosiery workers are now getting ready to open the sixth.

replies are being tabulated by a private statistical firm as they are received.

An additional 7,000 questionnaires have been sent to police chiefs of cities and towns of 1,000 population or more, Toland disclosed. These were sent in an effort to determine the extent of violence and law violations resulting from lock-outs, strikes, and other situations with which the NLRB was concerned.

The committee, which originally planned to open public hearings about Nov. 1, will probably postpone them, perhaps till January.

Labor Forum Tested

Junior C. of C. plan to be applied nationally if it is success in Indianapolis.

"INSTEAD of trying to reform others, we are attempting to improve ourselves."

With this statement, a group of junior business executives in Indianapolis sat down for the first session of a new fall forum in industrial relations last week. The Indianapolis test is being run by the industrial relations committee of the United States Junior Chamber of Commerce. If it turns out well, the plan will be recommended to the 700 other chapters.

Schedule is simple: Each Thursday evening the young men (top age-limit in Junior C. of C. is 35) will meet at the Athletic Club to hear an expert on such subjects as "Human Nature and Management", "Work Simplification", "Government and Organized Labor", "Incentive, Thrift and Pension Plans". Following a 45-minute talk, there will be an hour and a half of open forum discussion.

Indianapolis firms sent in so many names of delegates that a limit of three from a company had to be imposed. Co-operation has been promised by organized labor, Indiana and Purdue Universities, the National Labor Relations Board, and the local labor conciliation board.

LABOR ANGLES

Anti-Picketing Law Rapped

LAST FALL Oregon passed an anti-picketing law; California and Washington voted it down. But individual counties and cities in the latter states have been busy passing ordinances which, if widely spread, would give the same effect. Last month this trend in Washington was sharply criticized and the anti-picketing ordinance in Yakima was voided by the state supreme court. Yakima had an ordinance which forbade picketing by persons not employed by the picketed employer; this infringed the rights of

workers guaranteed in the anti-injunction law of 1933, said the court.

On Pay for Executives

AN UP-TO-DATE roundup of that much-discussed subject: "Executive Compensation", is just off the press at Harvard's business school. John Calhoun Baker did the job, taking the 38 big retail companies listed on the New York Stock Exchange as the field for his study. Business men will find the 50-page book worth reading. Bonus and other incentive plans are searchingly discussed, and the author makes a valuable contribution in his suggested list of dos and don'ts. (Bureau of Business Research, Harvard University, Boston: \$1.50.)

Union-Farmer Tieup

AN APPLE SURPLUS in the State of Washington, with some \$4,800,000 worth of fruit overhanging a glutted market, may be eased by aid from western labor unions. Dave Beck of the powerful Seattle teamsters union has appealed to the state's 6,000 growers, over radio, not to throw away the surplus before he sees what can be done to organize a national sales campaign. Other unions (including both C.I.O. and A.F.L. groups) are joining the drive, notably the cooks' unions, and the restaurant associations, as well as the organized provisions trades.

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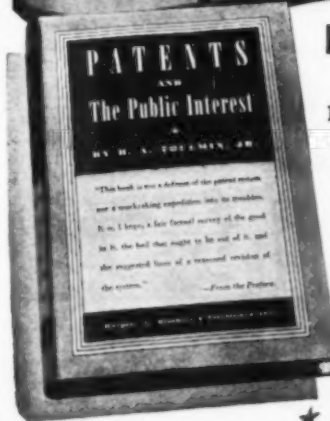


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MONEY AND THE MARKETS

FINANCE • SECURITIES • COMMODITIES

Traders Play Waiting Game

Uneventfulness of stock and commodity markets mirrors events on the western front. Tin cartel acts again to assure ample supplies.

THE MARKETS THIS WEEK responded as much—or rather as little—to the possibilities for peace as to the stated declarations of a continuance of war. In fact, so desultory has the war been during the past month, that even the firm stand taken by Premier Daladier on Tuesday failed to take the markets out of the narrow trading range they have been in over the past several weeks.

The uneventfulness of the war has its counterpart in the stock market. It is a market that is waiting for further signs of the trend of events abroad. And what makes it paradoxical is that domestic business improvement is still far from being fully reflected in prices.

Since hitting their September highs, industrials have given up one-fourth of their gains, rails almost a like amount. Commodities once more seem to be trading on the demand-and-supply position, instead of moving solely on the basis of war buying in disregard of basic statistics.

One raw material in the spotlight has been tin. Strenuous efforts had to be made to insure adequate supplies. The

international tin cartel on Wednesday took further action to ease the tight situation which developed in the metal after the outbreak of the war. It previously had jumped third quarter quotas to 100% of standard tonnages, retroactive for July and August, and this week it hiked them to 120%—also retroactive—10 days after the close of the quarter affected.

The object, clearly enough, was to validate any shipments made by producers in excess of their allotments. Thus there is no question of charging third quarter excesses against fourth quarter allowables. Simultaneously, the cartel put the fourth quarter quotas at 70%.

Spot Prices in U. S. Lower

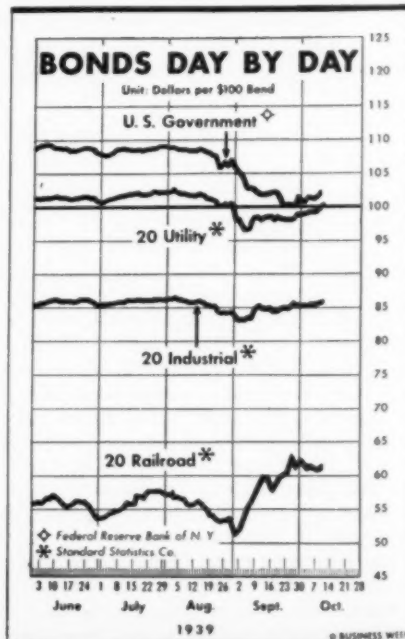
Incidentally, American users of tin continue to contract for the commodity directly with producers in the Far East (BW—Sep30'39,p49). Whereas producing interests couldn't guarantee date of delivery a fortnight ago, the shipping situation has now so improved that November-December delivery contracts are being signed at 45¢ to 47¢ a lb., cif.

I.B.A. Hopeful

MEMBERS of the Investment Bankers Association met for the 28th annual convention in Del Monte, Cal., this week with perhaps as much to look forward to as at any time since 1929 (although with precious little business actually on their books). The Securities and Exchange Commission was hinting at a reduction in the 20-day "incubation" or "quarantine" period which new issues must undergo. On a single morning this week two new issues of common stock were advertised for public offering—and there is a good deal of common stock and convertible bonds and convertible preferreds business in sight. Moreover, the bond market has improved substantially, as indicated by rallies of from 1 to 3 points in U. S. Treasury issues from the recent lows. That makes the outlook much brighter for the \$200,000,000 of new bond issues now in registry with the SEC.

Ability to buy liberal tonnages on this basis has backed the spot price in the United States down from the peak of 70¢ to around 55¢.

Sharp reduction in the government's estimate of the cotton crop (the present prospect is for 11,928,000 bales against 12,380,000 bales a month ago) had little reflection in the market, traders probably having anticipated some such cut. The 1939 crop may not supply domestic and export demand if the most optimistic expectations in the trade are realized. Enthusiasts, encouraged by the con-



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tinued large consumption at home, predicting record domestic disappearance; a few put the total as high as 8,000,000 bales for the 1939-1940 cotton season.

Tobacco Triumph

Wallace gets his quotas, farmers get a market, and British get their normal supply.

TOBACCO FARMERS of the Southeast now have their reward for returning to the faith of Henry Wallace. They forswore the error of their ways last week when they approved marketing quotas for 1940 as promulgated by the Secretary of Agriculture; in return, they were assured this week that the tobacco auctions would resume on a normal basis after the shutdown caused by withdrawal of British buyers on the outbreak of war.

Sec. Wallace arranged for the reopening by providing British buying interests with money to acquire their normal takings. But there is a string attached. The British interests won't really get title to the tobacco until they get the foreign exchange to repay Mr. Wallace. This has the effect of making a market on which the farmer can dispose of his tobacco, of assuring the British of normal supplies, and of relieving Uncle Sam of going directly to the aid of the farmers through government purchases.

Briefly, the deal worked out is this: Imperial Tobacco Co. and Export Leaf Tobacco Co., the large British buyers, will cover their normal requirements of about 175,000,000 lb. of the Southeast's flue-cured tobacco (staple of the popular-priced cigarette trade). The Commodity Credit Corp. will provide them—and any others ordinarily acting for British cigarette makers—with loans to cover purchase and storage of the tobacco. Commodity Credit will release the tobacco when the loans are repaid.

Bumper Crop Despite Warning

The situation attracted more than usual attention because tobacco farmers (in the Kentucky burley belt as well as in the Southeastern flue-cured area) turned down marketing quotas a year ago when Sec. Wallace called for them. The Department of Agriculture immediately warned of a serious surplus situation. Farmers went ahead and grew a bumper crop. The war broke in the early stages of the Southeast's marketing season, and there the producers were with their large supplies and no British demand for cigarette tobacco.

When the farmers turned down quotas, they bumped into the section of the farm law which says that such action makes them ineligible for federal loans to store surpluses. The only alternative was to close the markets.

Sec. Wallace's plan provides for reopening without giving the farmers loans



Coca Cola Bottling Co., Waco, Texas. Architect: Robert V. Detrah, Beverly Hills, Calif. Associate Architect: T. Brooks Pearson, Waco, Texas. Structural Engineer: Ralph E. Marvin, Los Angeles, Calif. Contractor: C. C. Ramsey, Waco, Texas.

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Of Business Week, published weekly at Albany, N. Y., for October 1, 1939.

State of New York) ss.
County of New York)

Before me, a Notary Public in and for the State and county aforesaid, personally appeared D. C. McGraw, who, having been duly sworn according to law, deposes and says that he is the Secretary of the McGraw-Hill Publishing Company, Inc., publishers of Business Week, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 537, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, McGraw-Hill Publishing Company, Inc., 330 West 42nd St., N. Y. C.; Editor, Ralph B. Smith, 330 West 42nd St., N. Y. C.; Managing Editor, Louis H. Engel, 330 W. 42nd St., N. Y. C.; Business Manager, Paul Montgomery, 330 W. 42nd St., N. Y. C.

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5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the twelve months preceding the date shown above is: (This information is required from daily publications only.)

D. C. MCGRAW, Secretary,
MCGRAW-HILL PUBLISHING COMPANY, INC.
Sworn to and subscribed before me this 25th day of September, 1939.

[SEAL] H. E. REIRNE,
Notary Public, Nassau County, Clk's No. 84, N. Y.
Clk's No. 98, Reg. No. 0-B-90,
(My commission expires March 20, 1940)

to store their surpluses. He gives the loans to the usual foreign buyers and lets them store the surplus instead of having the farmers do it. And his plan has the additional advantage of earmarking the tobacco for manufacturing interests rather than having it pile up in warehouses where it palpably would be a part of the already vexing surplus.

Fire Premium Slashed

Reduction of 10% ordered in Illinois is accepted without an organized protest.

AFTER MONTHS of distant thunder, Illinois fire insurance circles received a bolt of lightning last week. Ernest Palmer, director of the Illinois Department of Insurance, announced that a premium reduction of 10% becomes effective Jan. 1. He ordered the licensed rating bureaus to make the cut on dwellings, apartments, and their contents, in protected towns. The bureaus, representing the insuring companies, assented, and nobody looks for organized opposition.

The present premium on the insurance affected is estimated at \$10,000,000. This means a net shrinkage of income around \$1,000,000 for the companies. There have been two previous reductions during the Palmer regime, 5% and about 13%. The insurers squawk, but do nothing more.

The reason is that Palmer knows what he is doing, and the companies know he knows. He served ten years as manager and general counsel of the Chicago Board of Underwriters, left to take the state job at lower pay, taking with him several of the board's best men. He has recruited other trained men from the companies and the agencies. Nobody in Illinois insurance doubts his ability or his probity. But nearly everybody is mad about something he has done, although no two groups are sore about the same thing.

Blow at Pocketbooks

For more than two years, Palmer has had the definite loss and expense experience of every company licensed in Illinois, broken down by class of business. He says dwelling costs have been low enough to make this business more than adequately profitable.

Whether the companies will simply take a flat 10% cut in premium, thus spreading the loss of revenue evenly from the broker to the home office, or will try to adjust it by reducing commissions, remains to be demonstrated. As yet, nobody will say.

Brokers and agents in Illinois are sufficiently jittery, anyhow, about where the Palmer lightning may strike next. They suspect the worst, that it will strike them squarely in the pocketbook. There is a good deal of argument whether the director has the power to determine com-

missions, but cool heads agree that commissions are part of the price of insurance—and his power to regulate the price is undisputed.

It is generally believed Palmer feels that inefficiencies in insurance acquisition, are encouraged by commission levels so high that they help incompetents. Nobody would be surprised at an order reshuffling commissions downward, coupled with a corresponding reduction to the consumer. Actually, acquisition cost represents almost precisely half the fire insurance dollar, which means there is opportunity for big savings if someone can squeeze this cost down. The best guess among the smarter Illinois insurance men is that Palmer is going to keep on squeezing.

Thus far the pressure has been exerted only on fire companies. But the department has all the facts on other lines.

FINANCIAL ANGLES

How Big the Rail Boom?

JUST HOW BIG a noise last month's rail equipment boom made (*BW—Sep 30 '39, p16*) became apparent this week when a count by *Railway Age* showed that the railroads then ordered 3 passenger cars, 52 locomotives, 24,231 freight cars, and 188,854 tons of rails. Freight car purchases alone more than doubled the first eight months' orders, and were twice last year's full total. Rail tonnage purchases brought this year's total to more than four times those for the like 1938 period.

GM-GMAC on Trial

THE YEAR-AND-A-HALF-OLD anti-trust case against General Motors and its affiliated General Motors Acceptance Corp. got under way in South Bend, Ind., this week with the selection of a jury composed of farmers and business men. Chrysler and Ford signed consent decrees. Even so, this action alleging coercion of dealers to finance sale of GM cars only through GMAC promises to drag for months. If GM wins, the consent decrees are automatically vacated so that Ford and Chrysler won't be at a competitive disadvantage.

B. & O. Plan Approved

IN THE federal district court at Baltimore this week, the Baltimore & Ohio Railroad became the first Class 1 carrier to have a plan of debt adjustment approved under the terms of the new Chandler Act (*BW—Aug 5 '39, p16*). Under its plan, the B. & O. may put \$11,376,000 in annual interest charges on a contingent basis, to be paid when earnings sufficiently improve. Thus B. & O.'s annual interest charges will be reduced, roughly, from \$31,000,000 to \$19,000,000. After a final court hearing on Nov. 8, the plan will be put into effect.

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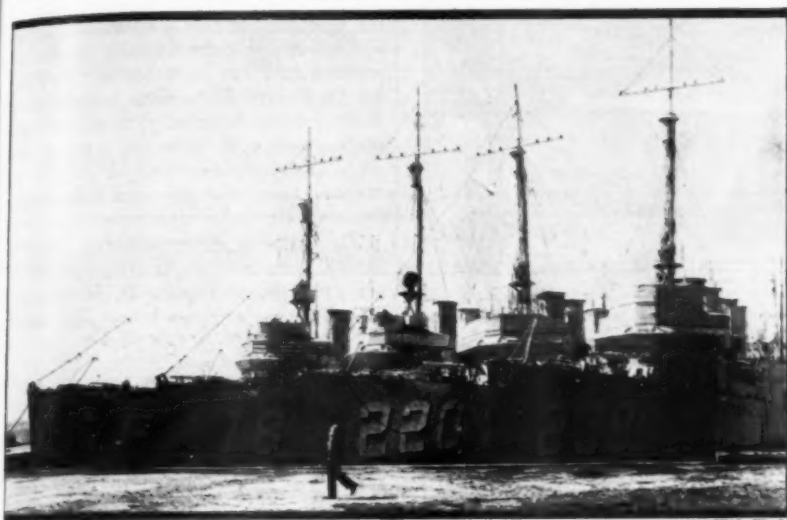
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Wide World

As a result of the Washington treaty in 1922, eighty-four U. S. Navy destroyers were decommissioned at the San Diego, Calif., destroyer base. Some were scrapped in 1931-32, but with the abrogation of the treaty in

1936, work began on the reconditioning and recommissioning of 49 of the ships. By last week 22 were all ready to go into service in case the European war stirred up another acute situation in the Pacific.

BUSINESS ABROAD

FOREIGN TRADE • INTERNATIONAL AFFAIRS • FOREIGN INDUSTRY

Canada's Problems

Quebec's special status is an issue again as Dominion gets ready for a long war.

OTTAWA (*Business Week Bureau*)—All indications in Canada point to a long war. The country is mobilizing—militarily, financially, and industrially. More than 60,000 men have volunteered for the service in the five weeks since the outbreak of hostilities, not including those who have enlisted for the navy and air forces.

No large-scale war orders have yet been placed by Europe, but the Dominion's newly organized War Supply Board is nearly ready to go ahead with big government orders for both the Canadian and British governments. British agents who have been in Canada since the beginning of September will work through the Canadian Board. They will also handle business which may be placed in the United States, but no orders of any size are expected, even for non-munitions items, until after the neutrality legislation has been passed in Washington.

Industrial activity in Canada is picking up rapidly. Main cause is the important boost in farm purchasing power due to the rapid rise in commodity prices

(farm income in the Prairie Provinces and the West is estimated to have been increased nearly \$250,000,000 by the September price rise). September industrial production was 19% above April.

Mobilization of Canada's financial and industrial powers has brought a centralization of authority which French-Canada threatens vigorously to oppose.

Quebec Presents a Problem

Quebec, one of the two great industrial provinces in the Dominion, has created a sensation by calling for a general provincial election on Oct. 25 which will be fought over the issue of relinquishing to the federal government jealously-guarded provincial powers.

Ever since the French Canadians long ago wrung from the British a pledge that in perpetuity French Canada might retain its own language, separate schools, control of all civil and property rights in Quebec, the province has rigidly maintained these rights.

Federal Minister of Justice LaPointe, acknowledged successor to Laurier as political leader of French Canada, has followed in the footsteps of his illustrious predecessor in pledging French-Canada to waiving of its traditional rights during a war. The only condition that the venerable French Liberal leader demanded of the Ottawa government was

that no effort be made to put conscription into effect in French Canada.

Ambitious provincial Premier Duplessis has other ideas. Last week he abruptly dissolved the Quebec provincial parliament and called for a new election, claiming that LaPointe misrepresented the true wishes of the French Canadians in Quebec.

Though the main issue is undoubtedly the question of granting temporarily extraordinary powers to the federal government, there is also another issue in the minds of many Canadians. Duplessis is a "New Dealer" who has followed a plan of social reform and large public expenditure in Quebec during his full administration. Now, the war has shut off the New York money market to all Canadians, and local authorities cannot raise funds domestically without the consent of the Canadian central bank. So Quebec, along with all of the other provinces, is forced to economize, as well as cooperate with the central government on many emergency plans.

Outcome of the Oct. 25 voting will be of tremendous importance to all of Canada. If Duplessis wins, it is possible that a national coalition government in Ottawa (such as undoubtedly would come into power if there is a long war) would almost surely consider revision of the historic provisions which assure Quebec of perpetual special powers. That might mean a disagreeable political battle at a most unfortunate time.

War Hurts Argentina

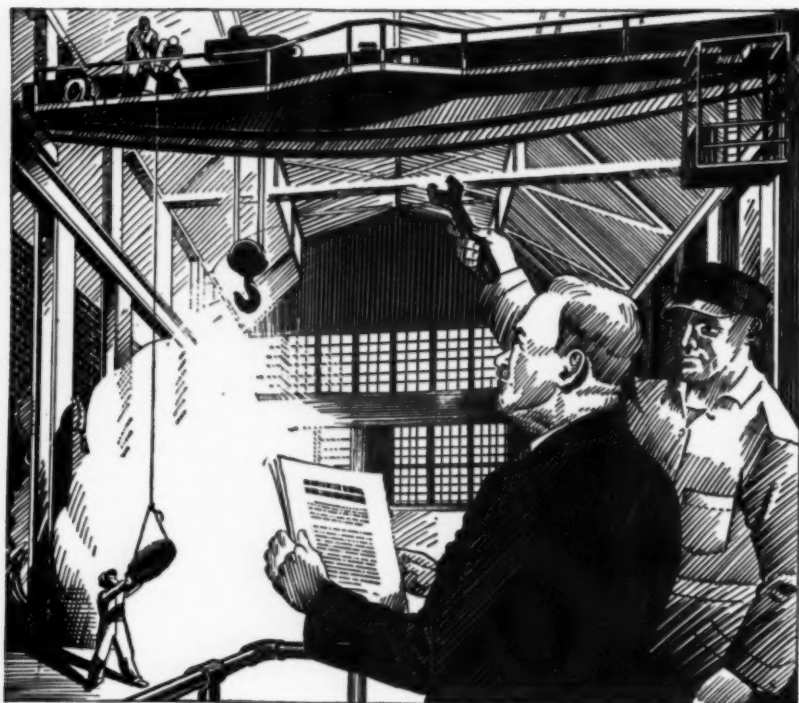
Despite profits, business is worried over sources of supply; rail service cut to save coal.

BUENOS AIRES (*Business Week Bureau*)

—Belligerent Europe still has made no spectacular new war orders in the Argentine, but the country's war profits, based on higher commodity prices, which have ruled now for more than a month, are considerable. Nevertheless, the war is having its bad effects on business too.

Business men who have been unable to get assurance of shipments from their usual European sources of supply, and on whose products the government in some cases has refused to lift the import quota from the United States, are wondering what is going to happen when present stocks of raw materials for local industry or for the retail trade are exhausted. It is estimated that 300,000 building workers are already idle because of the shortage of certain building materials. The railroads have curtailed their services to conserve coal resources until new supplies are assured. An egg shortage threatens unless exports are sharply curtailed.

The Supplies Control Board has the price situation well in hand and profiteering has been held to a minimum



A Word of Caution ...if you are buying a new traveling crane

Once you have bought a crane, you will have to "live" with it for many years. Be sure the crane you buy is as modern as the other equipment you buy for your plant.

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IT PAYS TO GET A QUOTATION ON
WHITING
OVERHEAD TRAVELING CRANES

since the first week after the outbreak of war in Europe. Retail prices are again fairly well in line with prices existing in the first fortnight in August.

An interesting development in the insurance field has been brought to light by *La Gaceta Económica*, authoritative Buenos Aires financial journal. Foreigners have recently been buying into the Argentine insurance companies and in several cases have acquired full control by majority stock ownership.

The London Assurance Co., shortly before the outbreak of war, completed the purchase of a majority of the outstanding shares of La Union Mercantil, and the Alliance Assurance Co. has obtained control of Los Andes.

Italy and Switzerland have also acquired a foothold in the Argentine insurance field. The Assicurazione Generali, having been forced out of the Austrian market, is now reported to be seeking contacts with Argentine firms, and Helvetia, from Switzerland, is preparing to establish a branch in Buenos Aires.

Trade Map Distorted

Germany gains some new business, Scandinavian countries suffer as war recasts markets.

BERLIN (Wireless)—The gravitation of Continental trade toward Germany is the most important development in the second month of the war.

Germans are unimpressed with reports just published that the British are carrying on negotiations with the Swedes for the purchase of the entire output of Swedish high-grade iron ore. This has been Germany's main source of supply and is so desperately needed by the Reich that Berlin will undoubtedly exert the utmost pressure on Stockholm to prevent the deal.

Raids on neutral shipping are having a telling effect on the business of the Scandinavian countries. Denmark, which in the last war succeeded in keeping open ship services to Britain for delivery of butter, eggs, and bacon, claims now to be losing \$750,000 a day because of inability to deliver to the British.

The trade of the Baltic states, now under Soviet domination, is also being shifted rapidly to new channels. Britain has been one of their most important markets, but shipments of foodstuffs have already been shifted to Leningrad. And the evacuation of the old German families from Estonia, Latvia, and Lithuania cuts off from Germany a small but profitable market outlet, for these commercial pioneers never had cut off their ties with the homeland.

In the Balkans, Germany is getting new business. Skoda, the former Czechoslovak steel works, has just received a big contract for the construction of a shipyard on the Danube in Yugoslavia.

WAR BUSINESS

REGULATIONS • WAR ORDERS • TRADE CONDITIONS

Canada Organizes for War

While Dominion awaits British orders, buying agency is set up, financial machinery is taken under control, and security sales are planned.

CANADA IS AT WAR, men are volunteering for the service, industry is being groomed to handle huge war contracts—but to date little actual war buying has developed.

Contrary to the general impression, British war orders, with a few exceptions, have not started to be placed in Canada. It is because the British government does not yet know what it wants from Canada.

In Britain, some of the experts think the greatest need that Canada can supply will be warplanes. Others think it will be tanks, guns, and shells for the western front. And others believe that it will be naval craft such as subchasers. Apparently the British government hasn't yet decided between these conflicting views and consequently Canadian manufacturers are still waiting for the promised war orders from abroad.

But in Canada, small orders for immediate necessities have been placed. Orders for 100,000 pair of boots, for instance, have been placed recently by the Canadian government. Of this total, 61,000 pairs are being supplied by three Montreal firms—Corbeil, Ltd., The Eagle Shoe Co., and MacFarlane-Lefavre, Ltd. Although future orders are to be placed on a cost-plus basis, initial business was placed as rush requisition and with no strict price stipulation of this sort.

Mills Get Orders for Uniforms

Textile mills also have stepped up operations (to capacity in a few plants) to take care of government orders for uniforms and uniform cloth. Cotton textile companies recently increased prices from 5% to 7½% to cover the 10% foreign exchange differential on purchases of United States cotton, and are taking orders for delivery only a few months ahead at present quotations. In a few lines no orders are being taken until the companies have worked off their first batch of government business on which Ottawa demanded priority treatment.

Canadian flour millers are doing a good domestic business but almost no orders have come from England since the outbreak of hostilities.

In addition to such Canadian government orders as have been placed, Britain has cabled rush contracts for steel and

steel products, including shells and armament parts particularly to such companies as National Steel Car, Dominion Steel, and others which had already been handling business for London. The full program of British and Canadian buying, however, has been deferred and it is now reported reliably that the new Canadian War Supply Board, headed by Wallace R. Campbell (president of Ford Motor Co. of Canada until his recent appointment as a government \$1-a-year man), will place orders for the British as well as the Canadian government. British authorities have been in the Dominion since the outbreak of the war ready to place huge orders as soon as plant facilities were fully surveyed.

Canadian Industries, Ltd., which dominates the production of chemicals and explosives in Canada, already is extend-

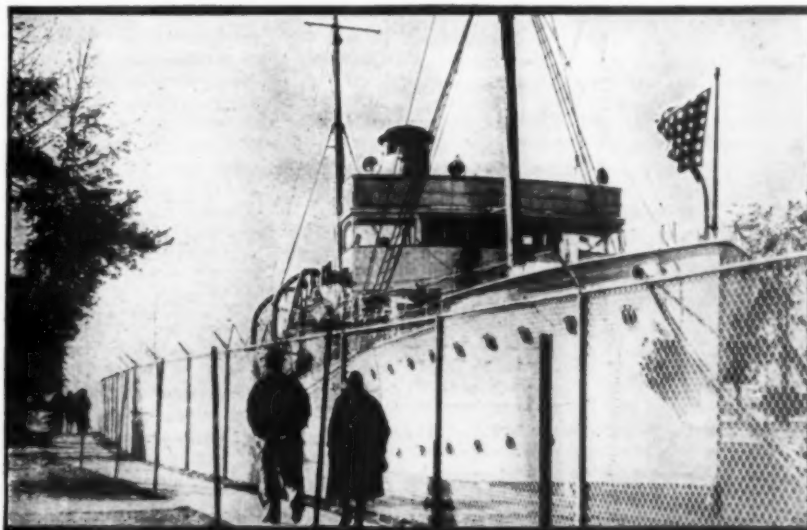
ing its plant facilities in preparation for war work. To the newly completed chlorine plant at Shawinigan Falls (to serve the newsprint and textile industries) will be added a caustic soda finishing plant, at a cost of \$400,000. The new plant will be completed by the spring of 1940.

The iron ore reserves at Michipicoten, on the north shore of Lake Superior, which British-controlled Algoma Steel Corp. recently started to develop, are to play an important part in the war. Sir James Dunn, president of Algoma, has assured the War Supply Board that the mine is already producing 1,200 tons of ore daily and will increase production shortly to 1,800 tons.

Money for Ship-Building

A large slice of the \$100,000,000 the Canadian government is expected to spend on war supplies before the end of the current fiscal year (Mar. 31, 1940) will apparently go into the construction of ships. An initial order is expected shortly for 30 vessels to cost about \$37,500,000, and to be confined probably to the four shipyards which are equipped for immediate business: Canadian Vickers, Ltd., at Montreal (whose yards have been maintained during peace years through a Canadian government subsidy), Canada Steamship Lines' Davie Shipbuilding yard, Dominion Steel's Halifax shipyards, and St. John Dry Dock. Most of the other Canadian shipyards will have to be refitted because the ma-

Barricade beside the Soo



Ever since she declared war, Canada has been patrolling her canal locks. In addition, at the Soo locks at Sault Ste. Marie, Mich., on the Canadian border, she has now built a metal and barbed wire barricade. The war has brought a rush of late fall ship-

ping through the Soo locks, and steel mills on Lake Michigan and Lake Erie are stocking up with more than ordinary supplies of Minnesota ore to meet the new bulge in business which pushed steel production up to 88.6% of capacity this week.

The War Week in Business

At Home

Trade Conditions—Shipments to foreign countries are expected to fall off about 5% for September and October this year, compared with September and October, 1938. There has been a sharp increase in individual food shipments to Germany, evidently placed by Americans concerned over rationed relatives. Small packages sent by mail have gone through without interference. Food manufacturers and distributors do not expect large war purchases by belligerents for a month or so at least. Anthracite deliveries to Canada are up. Some steel companies are not accepting export inquiries for fourth quarter deliveries and these pending foreign sales will not be consummated until domestic business begins to taper—presumably around the first of the year. A further price rise for pine and other lumbers can be anticipated from the heavy foreign demand for wood pulp. The dye-stuffs division of du Pont reports a deluge of foreign orders.

Credit terms have become more strict. Payment periods have been reduced and the best credit instruments, such as an irrevocable letter of credit, are being required by exporters.

England would be pleased if American business men paid attention to the blacklist, but it is officially intended for British nationals alone.

The attention of American exporters has focused on Latin American customers. Credit inquiries increased 47% during September over August. Analyses show that 84% of the requests were for information on Central and South American business houses. The interest in European customers declined decidedly. The 10 most inquired-about Latin American countries, according to one trade bureau, were Colombia, Puerto Rico, Venezuela, Cuba, Brazil, Mexico, Ecuador, Peru, Dominican Republic, and Panama.

Trade Agreements—Three pacts are being pushed, two of them over the figuratively dead bodies of American manufacturers who fear tariff reductions for competitive industries: (1) An extension and revision of the reciprocal trade agreement with Belgium. This has been opposed on the grounds that war is no time for a long-term trade treaty. (2) A pact with Chile. A legal fight centers about a proposed reduction in the 4¢ per lb. duty on copper and other metals. Copper interests contend the duty is an excise tax and alterable only by Congressional action. However, if the duty is regarded as a tariff, the government can reduce it and Washington authorities insist they are certain of their legal position in the matter. (3) An agreement with Argentina. Hearings set for Oct. 16.

War Orders—Mexican buyers are reported to be interested in lugging home 50,000 rifles, 20,000,000 rounds of small arms ammunition, 32 field artillery

pieces, and an undisclosed number of machine guns. U. S. regulations demand licenses on all such business.

Louis Johnson, Assistant Secretary of War, and the 32 army officers in charge of the industrial purchasing program (BW—Oct 7 '39, p. 48) are understood to be considering special purchases to accelerate production of gas masks, semi-automatic rifles and other essential war equipment. In the last two weeks of September orders were placed for \$24,062,696 of military supplies.

Defense Preparations—The Undersecretary of Commerce, Edward J. Noble, has given another broad hint to business that the Administration hopes that the United States can go through the war with a minimum of trade controls. He declared that the import of essentials is the first duty of business houses engaged in foreign trade.

Raw Materials: The government has asked for bids for 400,000 lbs. of pig tin, placing this metal on the strategic list; a manganese shortage is foreseen if the United States is limited to Brazilian, Cuban, and domestic sources of supply—firms with supplies of manganese are not anxious to bid for government contracts, even if they can meet the rigid requirements; the United States Maritime Commission has assured the Rubber Manufacturers Association of shipping assistance if there is a breakdown in the supply chain for crude rubber.

Manufacturing: The Treasury Department, under authorization of the 1938 Revenue Act, may give manufacturers a tax cut to facilitate plant expansions for wartime production. A \$1,000,000 addition will be made to the present Pratt & Whitney plant at East Hartford, Conn. Aviation Manufacturing Corp. is the first established aircraft manufacturer to plan an inland plant expansion program; a \$250,000 unit of a new plant will be located in Nashville, Tenn.

Maritime: A \$16,432,000 order for eight C-2 cargo vessels has been placed by the Maritime Commission with Federal Shipbuilding and Dry Dock Co., Kearney, N. J.

Regulations—The National Lawyers Guild has asked for "heavy" taxes on war profits. Import and export manifests are still being withheld by the Treasury Department, but ship arrivals are being posted again. The Department of Agriculture is arranging a tobacco purchase program to aid markets crippled by the withdrawal of the Imperial Tobacco Co. (British).

—And Abroad

Germany—About 3,500,000 Baltic Germans were given in some instances only 48 hours to liquidate an estimated \$600,000,000 worth of business and property investments in Estonia, Latvia, and Lithuania. They are being moved

into Germany and may be settled in the former Polish corridor.

The German-Bulgarian trade agreement for 1940 has bogged down while the Bulgarians, according to informed sources, wait for information on Turkish-Soviet talks. The Germans want meat, skins, and hemp, all products banned for export by Bulgaria.

Russia—Lithuania, Latvia, and Estonia have accepted agreements with the Kremlin: (1) That Russian naval bases will be set up; (2) that Russian airports will be created; (3) that military garrisons will be sent to protect these bases; and (4) that railroads will be made to conform with the Russian wide gauge lines. Meanwhile, Finland, anticipating a "mutual agreement" pact for itself, has called up the army reserves.

Great Britain—"Watchdog" committees, representing business and the consumer, would be set up to watch prices under a bill introduced this week in the House of Commons. Merchants who abuse the War Risk Insurance plan by profiteering would be the targets.

England has purchased 148,575,000 lbs. of Egyptian cotton. Another 25,000 tons of goods consigned to Germany were seized as contraband during the week ending Oct. 7.

France—Frenchmen have been given an extra three weeks to repatriate foreign security holdings or to declare them. The deadline has been extended to Nov. 15 for repatriation and to Dec. 1 for declaration.

Argentina—Preferential exchange rates have been granted for many products important to American trade. A rate of 3.7313 pesos to the dollar (instead of 4.2388) now applies to such imported products as fuels and lubricants, steel and other metals, drugs, chemicals, paints, and dyestuffs.

Brazil—Coffee shippers are now guaranteed a 100% replacement of cargoes lost at sea with coffee from the government cache in Santos. German promises to ship to Rio de Janeiro any amount of business placed with the Reich are being received skeptically by Brazilians. The Germans are evidently counting on the efficacy of the peace drive or on transshipment through neutral countries. The Brazilian government is considering the creation of a National Department of Economy to determine policies for exports and imports, distribution and prices.

Mexico—The export of cattle, wool, beans, corn, and raw hides has been forbidden.

Netherlands—Additional export restrictions have been made public. Ores, alcohols, textiles, blankets, and hosiery are among the newly restricted products. The Royal Dutch Air Line may establish a service to Lisbon, Portugal, and Naples, connecting with the Pan American transatlantic line.

Business We

majority of the last war.

Orders for equipment and old Defense which will be compared to War Supply orders are placed well into the future will be for strict arms control.

Canada's financial machine complete control and from now on the Dominion's primary purpose.

Transfer B

Expected the \$2,500,000 now held in marketable than \$1,000,000 government securities nearly \$600,000 are in Canadian cities, including common stock, preferred stock, similar operations, be transferred.

Repatriation securities is in Canada for.

Should it plans to sell securities, which 000, to provide funds for the Canadian section that liquidation gradual so as in New York Canadian government provided to purchases.

Meanwhile standstill as have been negotiations planned for September, for offerings are compared with Discontinuation achieved through all leading.

Backing U

British sell has been heated than in the land has been to the New York fers have been scale than the selling press bolster sterling a major reason the more popular adian government Nickel com

majority of them have been idle since the last war.

Orders for \$25,000,000 of new rail equipment are being placed through the old Defense Purchasing Commission which will turn over its duties to the War Supply Board as soon as it is prepared to function. The rail equipment orders are planned to anticipate needs well into the future so that manufacturers will be free to devote all efforts to strict arms orders later on.

Canada's industrial resources and financial machinery are now under complete control of the federal government, and from now on all economic activity in the Dominion will be directed with the primary purpose of winning the war.

Transfer British-Held Securities

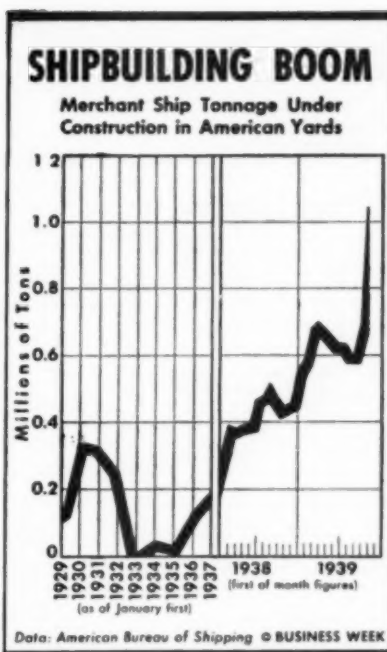
Expected soon is the repatriation of the \$2,500,000,000 of Canadian securities now held in Britain. Most of these are marketable securities, including more than \$1,000,000,000 of government or government-secured bonds. In addition, nearly \$600,000,000 of British holdings are in Canadian Pacific Railway securities, including more than 50% of the common stock and nearly all of the preferred stock. Through refunding and similar operations, these securities are to be transferred back to the Dominion. Repatriation of British-held Canadian securities is to provide exchange credits in Canada for the British purchases.

Should it be necessary, Canada also plans to sell Canadian-held American securities, which total nearly \$2,000,000,000, to provide investors with adequate funds for the absorption of British-held Canadian securities in Canada. To make that liquidation of these investments gradual so as not to upset the markets in New York, or Montreal and Toronto, Canadian government credits may be provided to the British for initial war purchases.

Meanwhile, new financing has been at a standstill as Canada's financial resources have been husbanded for the huge operations planned in the future. In September, for instance, new Canadian bond offerings amounted to only \$500,000 compared with \$62,000,000 in August. Discontinuance of new financing has been achieved through voluntary cooperation of all leading financial institutions.

Backing Up Sterling in N. Y.

British selling of Canadian securities has been heavier on the New York market than in Canada. The Bank of England has been permitting the transfers to the New York market, and such transfers have been on a considerably larger scale than the transfers to Canada. Such selling pressure—which has helped to bolster sterling in New York—has been a major reason for the sharp decline of the more popular Canadian issues—Canadian government bonds, International Nickel common, and others—at New



York. In the future, Ottawa authorities will not permit transfers to Canada of British-held Canadian securities which have been sold at New York.

Neutrality Headache

Business men harassed by fear of restrictions, in spite of forthcoming changes in bill.

THE MORE BUSINESS EXECUTIVES study the neutrality bill, the more concerned they become over the restrictions which it may place on normal trade without, they fear, accomplishing what Congress and business both want—to keep this country out of war.

Though there were reports from important quarters in Washington this week that amendments to the bill are nearly ready for public announcement, and that they provide for some less rigid interpretations, business is still concerned over the possible effects of several proposals in the legislation.

What, for instance, is a company to do under the "cash and title" clause of the Pittman bill, in cases where the company is shipping to a wholly-owned subsidiary in one of the belligerent countries? Is it technically possible for an American company to divest itself of title to goods being shipped to such a subsidiary?

No definitive answer has been made by Washington legal authorities yet. But in legal circles, the opinion now is wide-spread that no difficulties will rise where the branch plant, whether or not it is wholly owned by the parent company in the United States, is incorporated under the laws of the nation in which it operates. The case for branch

plants incorporated under American law and owned on this side is less clear. But in neither case has any official and final decision been made. This can come only when the law is enacted.

Dread Excessive Curbs

What continues to cause great concern is the fear that the neutrality legislation will be so rigid that it will not allow the shipment of goods in American vessels to any belligerent countries, whether or not they are in so-called "combat areas." This provision would keep American shipping out of the north European blockade zone, which is what business expects and what it believes is the public's intention.

But as it is now framed, the Pittman bill would also prevent American ships from carrying goods to such countries as Australia, New Zealand, India, French Indo-China, Malaya, and South Africa. Ships couldn't even travel from Seattle to Vancouver, if the law is passed as it was originally introduced, without being subject to a fine of \$50,000.

This works a double hardship on Americans: Not only will many of our ship lines which we have struggled for years to develop and for which we are now feverishly building new vessels (see chart) be thrown out of service, but American industries using imported raw materials will be wholly dependent on deliveries in foreign vessels, unless we are willing to subsidize our own ships to go out in a ballast and collect cargoes of raw materials. This would apply to cocoa from West Africa, tin and rubber from Malaya, and tea and manganese from India, and might quickly lead to government control over purchases and distribution of these products.

Barter Deal Affected

One practical complication would be the carrying out of our rubber-cotton barter deal with the British, negotiated long before the war. The terms of this deal called for delivery of the products half in British ships and half in American. Recently, under war pressure, the British proposed that they would carry all of the cotton from the United States to England in British vessels if the United States would pick up the rubber in Malaya in American vessels and transport it across the peaceful Pacific. The Pittman bill would prevent our

How to Line up for War Orders in Canada

MANUFACTURERS in Canada who want to be in line for potential war orders should get in touch now with Col. G. Ogilvie, Central Investigation Committee, War Supply Board, Birks Building, Ottawa.

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October 14, 1939

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AMERICAN SURETY CO.43 Agency—ALBERT FRANK-GUNTHER LAW, INC.	THE INTERNATIONAL NICKEL CO., INC. ... 9 Agency—MARSHALL & PRATT, INC.
AMERICAN TELEPHONE & TELEGRAPH Co.12 Agency—N. W. AYER & SON, INC.	IRON FIREMAN MANUFACTURING CO.19 Agency—JOSEPH R. GERBER CO.
AMERICAN TELEPHONE & TELEGRAPH Co.34 Agency—NEWELL-EMMETT CO., INC.	KOPPERS CO.63 Agency—KETCHUM, MACLEOD & GROVE, INC.
ANCHOR POST FENCE CO.38 Agency—VAN SANT, DUGDALE & CO., INC.	P. R. MALLORY & CO.46 Agency—THE AITKEN-KYNETT CO.
ARMSTRONG CORK CO.28 Agency—BATTEN, BARTON, DURSTINE & OSBORN, INC.	MASSACHUSETTS DEVELOPMENT & INDUSTRIAL COMMISSION.39 Agency—CHAMBERS & WISWELL, INC.
BANK OF NEW YORK.6 Agency—DOHERTY & CO.	NEENAH PAPER CO.49 Agency—PACKARD ADVERTISING SERVICE
R. W. BIXBY, INC.49	NEW DEPARTURE DIVISION.32 & 33 Agency—J. M. HICKERSON, INC.
BRODERICK & BASCOM ROPE CO.23 Agency—CHAPPELLOW ADVERTISING CO.	NEWELL-EMMETT CO., INC.40 Agency—NEWELL-EMMETT CO., INC.
BROWN & BIGELOW.56 Agency—BRONSON WEST	OWENS-CORNING FIBERGLASS CORP.29 Agency—YOUNG & RUBICAM, INC.
CHEMICAL INDUSTRIES, 17TH EXPOSITION OF46 Agency—O. S. TYSON & CO., INC.	PAGE FENCE ASSOCIATION.42 Agency—REINOLDS-ELLIS-YOUNG & FINN, INC.
COMBUSTION ENGINEERING CO., INC.35 Agency—G. M. BASFORD CO.	PATERSON PARCHMENT PAPER CO.4 Agency—PLATT-FORRESTER, INC.
DIAMOND T MOTOR CAR CO.31 Agency—ROCHE, WILLIAMS & CUNNINGHAM, INC.	PLYMOUTH DIVISION, CHRYSLER CORP. ... 1 Agency—J. STIRLING GETCHELL, INC.
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EXPOSITION OF CHEMICAL INDUSTRIES. ...46	SOCONY-VACUUM OIL CO., INC.3rd Cover Agency—J. STIRLING GETCHELL, INC.
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GOODYEAR TIRE & RUBBER CO., INC. ... 5 Agency—ARTHUR KUDNER, INC.	UNITED GAS PIPE LINE CO.47 Agency—BOEHL & JACOBS, INC.
HAMMERMILL PAPER CO.3 Agency—BATTEN, BARTON, DURSTINE & OSBORN, INC.	WARREN WEBSTER & CO.8 Agency—WILLIAM JENKINS ADVERTISING
JOHN HANCOCK MUTUAL LIFE INSURANCE CO.45 Agency—LIVERMORE & KNIGHT AGENCY, INC.	WESTINGHOUSE ELECTRIC & MFG. CO. ...22 Agency—FULLER & SMITH & ROSS, INC.
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carrying out the American part of the delivery plan.

These problems, business hopes, will be ironed out rationally in the amendments which presumably are ready to be attached to the Pittman bill.

Some Wartime Specials

WORKING under a credit of close to \$500,000 established in his own bank, a Middle Western manufacturer is pushing through his plant an order for 50 specially designed automotive units a week for shipment to Rumania. The implications are that specifications for many more will be forthcoming before the first lot is ready. The buyer pays cash, takes delivery at the factory, and looks after rail and ocean shipment.

Another American industry is boosting its business because of the war. Primary kaolin (china clay) refiners in the Spruce Pine, N. C., district have in the last four weeks had an upsurge in business to an all time peak. American makers of fine china, who have always used English kaolin almost exclusively, are turning to the domestic raw material. Urgent orders have come the last few days from potters who frankly say that they are unable to get prompt or certain deliveries of kaolin from Britain.

This new kaolin business has been in the making for American refiners for several years. Extensive experimental work since 1934 by the TVA ceramics laboratory, cooperating with the refiners and potters, has resulted in greatly improved production methods and a product that is up to the English kaolin standards.

French Buy Here

DESPITE official denials by the French that they have war buying missions in this country and an office in New York authorized to handle the financing of this business, there were reports in very well informed quarters this week that the French are prepared to buy both military equipment and foodstuffs here. In fact, they are reported to have placed fairly substantial orders for both horses and trucks (reputedly 2,500) during the early part of the week.

This is the first important French business placed since the outbreak of the war, except for continuing orders for machine tools, and it is the first business officially attributed to the newly organized French government buying mission. French scouts, however, are known to have surveyed the United States pretty completely for potential suppliers who may receive sizable orders immediately the neutrality legislation is out of the way—provided it allows for the sale of arms to the belligerents. If the embargo is not removed, the French and British are both expected to buy machine equipment for the expansion or establishment of factories in Canada.

Seller's Ma

ONCE AGAIN seller's market leaders are un

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Right h of the Ho Rockford,

THE TRADING POST

Seller's Market

ONCE AGAIN we hear rumblings of a seller's market, and thoughtful business leaders are urging caution.

The basic symptom of a seller's market is a mounting neglect to cultivate customers. There was a time when that neglect actually went so far as to bully harassed buyers with a "get-in-line-and-take-what-I-let-you-have" attitude. Remember the early '20's?

But since then, American business has had a chance for some sober introspection. It has done some thinking about customer and public relations. It has learned that any sound business involves more than today's inquiries, that it has more at stake than the orders that flew in over the transom this morning. The business smart set knows, indeed, that a seller's market, when buyers are most sensitive, is precisely the best time to strengthen customer relations.

But always there seem to be a few who don't think beyond the lush days. They want to get theirs while the getting is good—the future can go hang. It's barely possible that among those who feel that way, are some who have built up their own businesses. If so, they've forgotten something—or else they've not kept up with the times. Others, who run businesses they did not have to build up, may not appreciate just how easy it is to tear down what someone else has sweat blood to build. In either case, these few—for I am convinced they are few—now are reaching into the closets to get out their high-hats and give them a brush up.

Of course it will be a little while before they wear them in public. But certain preliminaries are under way. One of the most obvious is to begin sniping at the advertising. Why spend good money, they ask, to cultivate the customers; they've got to come to us, haven't they? Why advertise our business, with full order-books for months ahead? And now that good earnings are in prospect, why not chisel some extra net out of our advertising investment? In short, things are coming our way. Let's ride today—tomorrow can look after itself!

By itself all this might sound plausible. But it can't stand by itself. It's all part of the plague that stalks every seller's market. From this stage to the next—from neglecting to cultivate customers to high-hatting them—is an easy jump. And once we feel that we no longer need talk to them regularly, we are poised for that jump.

Right here, I recall that in the office of the Howard H. Monk Associates, in Rockford, Ill., there hangs on the wall

the following statement, signed by John Wanamaker:

"If there is one enterprise on earth that the quitter should let alone, it is advertising. Advertising does not jerk—it pulls. It begins gently at first but the pull is steady. It increases day-by-day—year-by-year, until it exerts an irresistible power."

Now John Wanamaker knew something about advertising and how it helps to build a business. And if that was true in his day—as it surely was—it is vastly more true today, when the evolution of American business to fit the times has made consistent advertising an essential part of its being. Especially is it pertinent just now, as we verge on a seller's market.

American business has passed the stage when it can rely on getting each day's orders as it would dip a bucket of water out of the old well. Today it can't run the risk of a dry well. Healthy business requires orders on tap *all the time*. And that means that, through plenty and through drought, reservoirs must be building up and conserving *all the time*. It is advertising that builds up customer recognition, acceptance, preference, "day-by-day—year-by-year", as Mr. Wanamaker put it. And that's a steady job—not to be neglected even when there are plenty of orders. For we always can be sure that there'll be another drought.

I have said that smart business knows all this. That is why business men are warning against the hazards of a seller's market, why so many of them plan to plow some of their increased earnings into better customer relations. Since the last war, American business has emerged from a stage of flighty opportunism to assume the responsibilities of maturity. This it reveals in many ways: new concern as to public relations, more responsible interest in industrial relations, new recognition of social values, a new conception of purpose beyond the earning of its daily bread—which it calls profit.

And part of it all is a new sense of continuity, a thought for the business of tomorrow as well as for that of today; an effort to ditch for good the "grab and run" doctrine, in favor of a new one of "build and stay". That's why modern business leaders respect their advertising for what it really is—not a bucket in a well, but that vital function of conserving customer following, which marks the difference between the curbstone peddler and an established business.

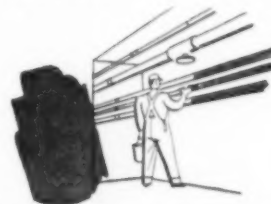
And that can't be done, as John Wanamaker pointed out, by jerks. "The pull is steady . . . until it exerts an irresistible power." The pull, note once again, *must be steady.* **W.T.C.**

KOPPERS TAR-BASE PAINTS

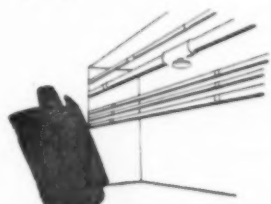
ADHERE TO METAL PIPES IN DAMP LOCATIONS



THE AIR in pipe galleries of water works and sewage plants often is saturated with moisture.



THE PAINTING of the metal pipes in these galleries is difficult because it is almost impossible to keep them completely dry.



WATER WORKS officials report that tar-base paints (made by Koppers) are the most effective paints to use because they adhere well on pipe exposed to humid and moist atmosphere.

LET KOPPERS SOLVE *Your* PROBLEMS

Some of these Koppers products may solve some problem in your business as the tar-base paints solved this problem in water works: Coal and Coke, Coal Preparation Systems, Coke and Gas Plants, Purification and Recovery Equipment, Boiler and Industrial Electric Power Stations, Industrial Chemicals, Creosote, Municipal Incinerators, Castings, Special Machinery, American Hammered Piston Rings, D-H-S Bronze, Fast's Couplings, Material-handling Systems, Pressure-treated Timber Products, Tarmac Road Tars, Roofing, Waterproofing, Ships, Barges.

Koppers Company, Pittsburgh, Pa.

K O P P E R S

October 14, 1939

The Rules Haven't Been Changed

IN the introduction to his new and stimulating two-volume work, "Business Cycles," Prof. Joseph A. Schumpeter, of Harvard, observes that "every business man knows that his success or failure depends not merely on the degree of efficiency with which he manages his firm and on the fortunes of the particular branch of industry in which he works, but also on a set of conditions over which neither he nor his industry has any control." Prof. Schumpeter, of course, refers to the business cycle—to the "general background for all individual endeavors in the nation or even in the whole industrial world" that makes for profits or losses, irrespective of managerial ability, plant efficiency, or competitive problems.

When a company runs counter to the current, makes big profits during a long-term industrial down-trend or suffers big losses during a long-term up-trend, it is likely to be because it is an exceptional business rather than because it is managed by exceptional business men. But there are exceptional times when business men seem to be particularly susceptible to errors in judgment—and when these errors can wreck a company's prospects in a year in which it is "normal" for most businesses to make money. We are in such a time when business is good, but when the "general background for all individual endeavors" has been pushed just a little bit out of focus by war.

IT is only natural that war should disrupt the usual ways of thinking: it raises so many issues—moral as well as business; political as well as economic. And it raises passions, for if war is not uppermost at all times in the minds of the business man, certainly it is always insinuating itself into his decisions and reflections. He considers war in relation to his labor policy, to his export and import trade, to bank credit, to prices. And today he reviews what happened back in '14 to '18, seeking a perspective on things to come. The consequence is that war—whether we are in it or not—has subtly but unmistakably changed the business environment.

Today—in the search for sanctuary from the effects of war—business men seem to be open to ideas that in less exceptional times they would regard as "most unusual," if not outlandish. War, somehow, surrounds the unorthodox with a disarming protective coloration. A simple idea becomes ingenious. A procedure rejected years back becomes captivating. Consider, as an instance, the proposal recently made to the retail trade and seriously published in a leading newspaper: Retail merchants should protect their

inventories against rising prices by hedging in the commodity markets.

At first inspection this appears to be a reasonable thought. Flour millers hedge, so why not retailers? But the miller hedges for a specific purpose. He sells wheat short, while he is milling; and if, during the process, flour prices decline, due to fluctuations in wheat, what he loses on the price of his flour will be made up by his profit on the short side of wheat. By hedging, the miller protects his manufacturer's profit margin. But the retailer has no such margin to protect. He has a set mark-up, and if the cost of inventory replacement rises faster than he can advance prices, it suggests that his inventory control is bad, and not that he ought to hedge his stocks against advancing prices.

INDEED, if a retailer were to buy raw cotton futures as protection against a rise in replacement costs of finished shirts, he would not be hedging—really. He'd be speculating. And he'd be speculating on a very minor part of the cost of replacement. There's only one pound—10¢ worth—of cotton in a \$1.50 broadcloth shirt. A raw cotton purchase would not protect the merchant against fluctuations in labor costs, in overhead costs, in middlemen's commissions, in the price of buttons. It would be far easier and wiser for the retailer to do what he's always done as a guard against price advances—that is, to replace his stocks as quickly as they are sold and leave speculation in strange markets alone.

What it all comes down to is this—war unquestionably has changed the business environment, but it has not changed the ways of doing business. Just because men are in the trenches, let's not depart from the established procedures of our businesses unless conclusively shown that a new procedure is a better one. In war-times, when things are a bit out of focus anyway, it's particularly important not to make mistakes.

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